Daily Report

Latin America

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Foreign Ministers Discuss Commission Report

PA130255 Hamburg DPA in Spanish 0100 GMT 13 Jan 88

[Text] Panama City, 12 Jan (DPA)—The Central American foreign ministers and those of the Contadora and Support Groups today discussed the scope of a report issued by the Verification and Follow-Up Commission. The foreign ministers, however, have not reached an agreement on the text of the report, which they are scheduled to deliver to the Central American presidents during the Costa Rica summit meeting.

The meeting will continue only through tomorrow morning, because some ministers said they must return to their countries in the afternoon.

The commission report, which was disseminated throughout Central America last week, is very extensive and contains two additions with remarks and documents. Basically, the report deals with the way each country says it has complied with the Esquipulas II agreement regarding amnesty, democratization, ceasefire, national reconciliation, and nonuse of national territories to attack other countries.

The ad hoc commission reported separately on the manner each country has worked during the past 5 months on the points signed by the presidents in Guatemala City on 7 August.

Reportedly, no consensus was reached on the document's wording about important disagreements between the Central American foreign ministers and those of the Contadora and Support Groups, which will be presented to the five presidents.

The Costa Rican, Honduran, Guatemalan, and Salvadoran foreign ministers reportedly disagree with some points of the ad hoc commission's report. In addition, some of the Contadora and Support Groups' foreign ministers disagreed with some points of the report.

Well into the meeting, efforts were made to find some formula to agree on the wording of the document for the five area presidents. It has been said that the greatest disagreement exists regarding respect for human rights, because the ad hoc commission has made a number of remarks with which the ministers do not agree.

Some ministers even spoke with their presidents directly about this situation, which was described as "very delicate." DPA was told that another of the delicate points in the report deals with national reconciliation. The various commissions expressed controversial views on sensitive points, such as political prisoners, freedom of action of political parties, and administration of justice.

Today's meeting at the Holiday Inn Hotel was attended by Mexican Foreign Secretary Bernardo Sepulveda, German Nava (the new Venezuelan foreign minister, who has replaced Simon Alberto Consalvi), Jorge Abadia of Panama, and Julio Londono of Colombia. They represented the Contadora Group.

The Support Group was represented by Foreign Ministers Allan Wagner (Peru), Ramon Villagna (who represents Argentine Foreign Minister Dante Caputo), Gilberto Vergnes (who represents Brazilian Foreign Minister Roberto Abreu), and Agustin Espinoza (who represents Uruguayan Foreign Minister Enrique Iglesias).

Central America was represented by Miguel D'Escoto (Nicaragua), Rodrigo Madrigal (Costa Rica), Ricardo Acevedo (El Salvador), Alfonso Cabrera (Guatemala), and Carlos Lopez (Honduras).

Alvaro Soto represented the UN secretary general, and Belevan McBride represented the OAS secretary general.

Early in the night, the foreign ministers had not yet decided to continue the meeting late into the night because of the session's stagnation.

Southern Cone Summit Confirmed for 6 Feb

PY081250 Montevideo Radio Carve in Spanish 0930 GMT 8 Jan 88

[Text] The tripartite summit of the presidents of Argentina, Brazil, and Uruguay will finally be held on 6 February at the Anchorena cattle ranch in Colonia Department.

Reportedly, the heads of state of the two neighboring countries, along with their foreign ministers and economy or finance ministers, will arrive at Colonia Airport on the morning of 6 February. They will be met by their host, President Julio Maria Sanguinetti. Afterward, they will go to the presidential cattle ranch to discuss—within the context of an open agenda—issues related to tripartite and regional relations.

Cuba

Castro, Uganda's Museveni Hold Official Talks

FL121448 Havana Tele-Rebelde Network in Spanish 1200 GMT 12 Jan 88

[Text] Official talks between the delegations of the Republics of Cuba and Uganda have begun at the PCC Central Committee. They were presided over by Commander in Chief Fidel Castro, first secretary of the PCC Central Committee and president of the Councils of State and Ministers, and by Yoweri Museveni, president of the Republic of Uganda and of the National Resistance Council. The talks were held in an atmosphere of warm friendship in line with the fraternal relations existing between the two peoples and governments.

The situations in the respective countries were among the topics discussed. An exchange of views on the international situation and the increasing relations of cooperation between the two governments also took place.

Museveni Tours Institute

FL121940 Havana Tele-Rebelde Network in Spanish 1800 GMT 12 Jan 88

[Text] Yoweri Museveni, president of the Republic of Uganda and of the National Resistance Council, this morning toured Havana's Pedro Kouri Tropical Medicine Institute. Museveni and the official delegation accompanying him arrived in the facility with Jorge Risquet Valdes, member of the PCC Politburo.

Gustavo Kouri, director of the Tropical Medicine Institute, explained in detail the objectives of the center, its functions, organizational structure, and domestic and international teaching activities. The Ugandan leader showed interest in the institute's cooperation with Third World countries.

The tour also included areas of the parasitology subdirectorate located at the Victoria de Giron Medical and Pre-Clinical Sciences Institute. President Museveni was given a broad explanation of the scientific research on tropical medicine being conducted which is aimed at protecting the population and helping other countries.

Museveni congratulated the Tropical Medicine Institute's 558 workers for turning it into an institution of international caliber.

Museveni Visits Center

FL122015 Havana Tele-Rebelde Network in Spanish 1800 GMT 12 Jan 88

[Text] Our Commander in Chief Fidel Castro, first secretary of the PCC Central Committee and president of the Councils of State and Ministers, talked today with Yoweri Museveni, president of the Republic of Uganda, after the visitor finished touring the Center for Genetic Engineering and Biotechnology. Fidel met with the Ugandan president who is paying an official and friendly visit to our country.

Upon his arrival to the center, Museveni was greeted by members of the delegation and workers. The Ugandan president and his entourage, accompanied by Jorge Risquet Valdes, member of the PCC Politburo, were given a detailed explanation of the background of biotechnology in Cuba, the organization of the center and its research and production objectives.

Dr Manuel Limonta, director of the Center for Genetic Engineering and Biotechnology, noted the importance of scientific development in that field to all the peoples.

Museveni was greatly interested in the operation of the laboratories and training of specialists. He also showed interest in the production of interferon, a widely-used medication.

They visited the analytical, proteins, and hormones units, among other places.

Spanish Senate President Carvajal Arrives

FL111616 Havana Radio Progreso Network in Spanish 1200 GMT 11 Jan 88

[Text] Jose Federico Carvajal, president of the Spanish Senate, has said on his arrival in Havana that it is important for countries such as Cuba and Spain, with so many historical ties and traditions in common, to have close and excellent relations. The Spanish delegation will be on an extensive schedule of visits to centers of social and economic interest in our country.

Castro To Receive Medal

LD102210 Madrid Domestic Service in Spanish 1900 GMT 10 Jan 88

[Excerpts] The delegation from the Spanish Senate is now in Cuba. During its courtesy visit it is to give President Fidel Castro the Gold Medal of the upper chamber of the Spanish Parliament.

The Spanish delegation, which left for Havana in the early hours of this morning, will spend a week visiting the island, at the invitation of Cuba's National Assembly of the People's Government [ANPP], the Cuban parliament. Because the president of this institution is ill its vice president, Severo Aguirre, and the chief of international relations, Ramon Pez Ferro, welcomed the Spaniards, led by the president of the Senate, Jose Federico de Carvajal, at Havana Airport.

On their arrival Carvajal emphasized the importance for Spain to maintain close and cordial relations with Cuba. He reaffirmed that the medal he will be giving to Fidel Castro is an honor and he remarked that this award provoked a strong reaction against him from the Spanish

conservative press. He referred to Popular Alliance's disagreement with honoring the Cuban president in this way, which has led to a Popular Alliance representative being absent from the parliamentary delegation. [passage omitted]

The vice president of the Cuban parliament, Severo Aguirre, said the absence of the Popular Alliance representative is a Spanish affair and he would not comment. The delegation from the Spanish Senate is made up, in addition to its president, of a representative from the CDS [Social Democratic Center], one from the PNV [Basque Nationalist Party] and the PSOE [Spanish Socialist Workers Party] spokesman in the upper chamber. They are paying a visit which was postponed a year ago because of statements from Fidel Castro against the president of the Spanish Congress of Deputies, Felix Pons.

Official Talks Open

FL112125 Havana Tele-Rebelde Network in Spanish 1800 GMT 11 Jan 88

[Excerpt] The parliaments of Cuba and Spain have begun official talks in Havana, following a visit by Spanish Senate President Jose Federico Carvajal to La Corona cigar factory. Carvajal also laid a wreath at the Jose Marti monument on Revolution Square.

The Spanish Senate delegation was received by Severo Aguirre del Cristo, vice president of the ANPP. In a fraternal and friendly atmosphere, Carvajal and his group were briefed on the tasks and objectives of the ANPP. [passage omitted]

Aguirre Meets With Carvajal

FL121642 Havana Radio Progreso Network in Spanish 1200 GMT 12 Jan 88

[Text] Jose Federico Carvajal Perez, president of the Spanish Senate, held official talks yesterday with Severo Aguirre, vice president of the ANPP. They noted the historic ties which unite the peoples of Cuba and Spain and exchanged information on the structure and functioning of their respective Parliaments.

Malmierca Meets With Carvajal

FL120411 Havana Tele-Rebelde Network in Spanish 0100 GMT 12 Jan 88

[Text] The high-level Spanish Senate delegation today visited the Foreign Ministry [MINREX] as part of their program of activities.

Cuban Foreign Minister Isidoro Malmierca welcomed Mr Jose Federico Carvajal, president of the Spanish Senate, and his delegation. During the meeting, they discussed general topics of economic and social interest to the two nations.

The delegation was also met by Severo Aguirre del Cristo, vice president of the ANPP, and MINREX and ANPP officials.

Mr Carvajal will fulfill an extensive agenda tomorrow, including visits to health and economic centers.

Caricom

Churches Call For Solidarity With Haiti

FL122030 Bridgetown CANA in English 1721 GMT 12 Jan 88

[Text] Bridgetown, Barbados, Jan 12, CANA—The Caribbean Conference of Churches (CCC) is urging the region to observe next Sunday as a day of solidarity with the people of Haiti, to coincide with the holding of controversial elections.

The regional church grouping's call came in a statement in which it rapped Caribbean leaders for not seeking at their emergency summit here last week "to make a contribution of particular worth" to help achieve a resolution of Haiti's political crisis.

The leaders, after protracted arguments over the nature of the meeting, faulted procedures for Sunday's poll but did not ask for a postponement as had been predicted. "The fact that they spent more time embroiled in ostensibly procedural wrangling than in addressing the Haitian crisis is to be deplored," the CCC statement said. The statement added: "We call attention to this new feature as a potentially serious threat to Caricom as an institution and to regional cooperation and integration.

The CCC said the position adopted by Caricom leaders showed they had "seriously misjudged" the mood of their constituents and had "betrayed the Haitian people, in favour of echoing the position and interests of the Reagan administration.

"The CCC reiterates its support for the Haitian people's call for a return to constitutionality in Haiti as the basic and fundamental starting point for any resolution of the present impasse," the statement said.

"We do not regard the Caricom proposals as being aimed at or capable of promoting or achieving that objective; for one thing, the meeting has failed to call for a postponement of the elections scheduled for January 17 in order to allow all parties concerned, including the CNG [National Government Council], to ensure a wider-based and legitimate mechanism for a government to be in place." The CCC said, given present conditions in Haiti, postponement of the date for the inauguration of a new president would be in order to give more time for the proper carrying out of this task.

"We suggest further that either the constituent assembly or a body made up of the groups prescribed in the constitution for structuring the electoral commission be mobilised to propose the necessary variation of the constitutional provision."

Under the constitution, the new president chosen in the elections (?should be) installed on February 7, second anniversary of the ouster of dictator Jean-Claude Duvalier.

Sunday's poll was fixed by the military government after previous elections on November 29 were called off because of violence.

Haiti

CNG Invites Observers to 17 Jan Elections

FL122119 Port-au-Prince Radio Nationale in Creole 1400 GMT 12 Jan 88

[Excerpt] [Passage omitted] The National Government Council [CNG] has invited several international organizations to send observers to the 17 January elections.

This was announced in a Provisional Electoral Council [CEP] communique yesterday, 11 January. At the request of the CEP, the invitation was extended to the United Nations, OAS, OAU, and the EEC. The CEP also invites Haitian and foreign journalists to obtain a card permitting them to enter the polling stations so they can observe the electoral proceedings.

The CEP also asks all political parties and candidates participating in the elections to choose their polling station representatives who will follow the electoral proceedings. [passage omitted]

Caribbean Leaders To Observe

FL130040 Bridgetown CANA in English 2138 GMT 12 Jan 88

[By Paget de Freitas]

[Text] Kingston, Jamaica, Jan 12, CANA—The Haitian military-led junta has invited a group of Caribbean prime ministers, among other international bodies, to send observers to Sunday's controversial elections, Jamaica Prime Minister Edward Seaga told diplomats on Tuesday.

Seaga met Kingston-based diplomats to brief them on the Haitian issue and last week's stormy meeting among Caribbean Community (Caricom) leaders to draft a common position on political developments in the French-speaking country.

According to the official JAMPRESS news agency, Seaga said he had received a cable from Haitian Foreign Minister Colonel Herard Abraham inviting his Group of Concerned Caribbean Leaders (GCCL) to send the observer mission to Haiti.

He had also learnt that similar invitations had been sent to other organisations, including the United Nations, the Organisation of American States, the Organisation of African Unity, and the European Community, Seaga was quoted as saying.

The Concerned Caribbean Leaders is a five-member group, which Seaga led to Haiti last month for talks with military leader, General Henri Namphy, after the violent derailment of what was to have been the country's first free elections in 30 years.

The group, including St Lucia's John Compton, St Vincent's James Mitchell, Aruba's Henny Eman, and Dom Martina of the Netherlands Antilles, came in for sharp criticism in the region for what was interpreted as an embracing of the Haitian junta.

Seaga himself has been under fire again since last week's meeting in Barbados of Caribbean leaders, with observers saying he was behind the generally mild rebuke of Namphy for the laws which will govern the new elections.

Under laws, which critics say were fashioned to ensure victory for a supporter of the ousted Duvalier family dictatorship, candidates will print their own ballots and the secrecy of vote is not ensured.

The Caribbean leaders criticised the law but preferred no sanctions, as suggested by some regional governments and the Haitian opposition. Most of the major Haitian candidates dropped out of the election.

According to JAMPRESS, Seaga told the diplomats that the Caribbean leaders had at first been anxious to threaten sanctions of one kind or another to express their dismay over the electoral arrangements. But they arrived at a consensus against this only after the head took ascendency over the heart based on their taking into account the stark realities and practicalities of the Haitian situation, the prime minister was quoted as saying.

Seaga met with Abraham in Port-au-Prince last Thursday while in transit on his flight home after the meeting in Barbados.

Officials here said Abraham assured Seaga that the election would be credible and later sent him documents relating to the conduct of the poll.

Seaga told the diplomats that the meeting had agreed that the most important task was to do everything to ensure that the elections were as credible as possible and that the government was elected by the due constitutional date.

Depending on the credibility of the election and there were no other set backs, the next priority of Caribbean leaders would be to see how best the international community could help the newly-elected administration in social and political reconstruction.

Socialist Mission Arriving for 2-Day Talks

FL122146 Port-au-Prince Radio Nationale in Creole 1400 GMT 12 Jan 88

[Text] It was reported in Caracas, Venezuela, Sunday that a Socialist International mission will be arriving in Haiti on Thursday to ask General Namphy to make guarantees for the elections in Haiti on Sunday.

Former Venezuelan President Carlos Andres Perez and Dominican Socialist Jose Francisco Pena Gomez announced that the mission will leave Caracas for Port-au-Prince, where it will spend 2 days. The Socialist International representatives will also meet with certain opposition leaders.

The delegation will be headed by a leader of Venezuela's ruling Democratic Action Party. Representatives of the French Socialist Party and the Spanish Socialist Workers Party are also part of the mission.

Socialist International officials will also contact the Christian Democratic Organization of America, ODCA, headed by Venezuelan Hilarion Cardozo, and the liberal international so that it can send its own representative to the mission, said Mr Pena Gomez. [sentence as heard]

PUCH Calls for Election Postponement

FL122309 Port-au-Prince Radio Metropole in French 1700 GMT 12 Jan 88

[Text] This morning, the PUCH [Unified Party of Haitian Communists] set forth its position on the 17 January elections. Rene Theodore, the number one man of the PUCH, said he would like the postponement of the 17 January elections, as well as a dialogue to be held among the different political sectors in Haiti in order to solve the crisis.

The PUCH describes the coming elections as a masquerade, because they feel conditions for holding honest elections are not present. These elections will give us another [words indistinct], another (?Soulouque), and a fake legislature, Mr. Theodore said.

The PUCH also asked the Haitian people and PUCH sympathizers not to participate in the 17 January elections. Let's listen to an excerpt of the news conference.

[Begin Theodore recording, in Creole] If we are asking for a postponement of the elections, it is because we feel conditions necessary for free, democratic elections—for the kind of elections the people would like—(?do not exist at present).

The CEP [Provisional Electoral Council] is already involved in another legal quarrel the people have with the National Government Council [CNG]. The problem of the CEP will have to be resolved. What CEP?

It is difficult for us to unilaterally come up with a solution to this matter. We have a particular idea of what constitutes democracy, a particular idea of what it is to act in concert. Therefore, we did not come here with a prepared formula. We think that, in order to take serious action, the elections should be postponed. And this implies that immediately thereafter, all political sectors in Haiti would have to come together in order to find a solution. This includes the government itself. How credible is the CNG, based on all the manipulations, incidents, and mishaps which have occurred? [words indistinct]

For example, the CNG first said it had dismissed the CEP because they had not respected the rights of the all the citizens in the 29 November elections. Now, this same government is supporting the current CEP's decision and preventing several Duvalierist, macoute candidates from participating in the coming elections. This means the reason for dismissing the first CEP was not really valid. They had other problems with them.

They should just come right out and state any other problems they have and then we would know (?where we really stand), whether or not things are a manipulation. I think today everyone sees that on 29 November, we were confronting a series of manipulations.

So, our problem now is to calmly confront the new situation which has developed since 29 November, to take serious action but for the purpose of establishing a truly concerted political action together with all responsible political forces which believe democracy is important for us to unblock our country [words indistinct] because we are really a blocked country.

For all these reasons, I am requesting a postponement, but a postponement so that we can find a way (?to take) a political initiative together with all other sectors in the country, with all the sectors which truly want a democracy [words indistinct] in Haiti.

The CNG is a political entity; it is an existing government. It says it had meant, through 1 January and so forth, to open up to a dialogue. That is what it said. But the concrete initiatives taken by the CNG since 1 January have taken so long that you wonder if all this is not part of a plan to manipulate.

If after 29 November, they had made the investigating committee act fast and find the guilty parties; taken measures to see that justice was done; made an effort to really reestablish a climate of confidence; held consultations which included all political forces; if the CNG had, through concrete measures, been willing to show it truly wanted to take steps toward concerted action and that it really wanted credible elections; at that point they would normally have had to consider [words indistinct] in this matter. Everything depends on what it is going to do.

What is the CNG doing today? We (?think) the CNG agreed to allow Article 291's application under foreign pressure. We are obliged to speak of foreign pressure because the position of the people who ratified the Constitution does not seem to have been taken into account in the matter. That is why there was so much reluctance to apply the Constitution on this point.

And it is probably also because they didn't take the people's position into consideration that they even spoke of the whole of the citizenry, in connection with the 29 November elections.

Thus, we think the elections must be postponed, and the new situation must be approached responsibly [words indistinct] concerted action. Concerted action will depend on what the different parties involved really want. [end recording]

Theodore also said that if the Haitian people boycott the 17 January elections, the government should have them annulled.

Committee Tells People To Stay Home on 17 Jan

FL122259 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 12 Jan 88

[Text] The Haitian Torrent Committee [Komite Lavalas Ayisyen] salutes the courage of the population throughout Haiti because they are showing they are truly not in favor of the crooked elections being prepared.

We have only one message to all peasants all over the country: You must be brave. Don't sit back and wait for these people to come after you because the authorities, the bigshots, have ordered all the commanders of the districts and the subdistricts throughout Haiti to order the communal section chiefs to each come up with 1,000 people for the elections.

The section chiefs were told to do whatever they must to produce these people. They are supposed to force them, arrest them, and make them vote.

Therefore, friends, be strong. Set up vigilance brigades so no wheeler-dealer can get to you, regardless of how they approach you.

They have another plan to be used on all churchgoers, whether Protestant or Catholic. They are planning to grab them after the religious services and make them go vote.

Therefore, we call on those three sectors—the Protestant and Catholic Churches and the peasants—to not be fooled. Stay home on election day. Use that day as a day of reflection. Devote it to prayer at home.

This is signed, for the Haitian Torrent Committee, by (Sonson Jean-Noel), (Sonthonax Andre Louis), (Alfred Nicolas), (Reynold Lafleur), (Daniel Mondesir), and (Jeannette Isidore).

Grande Anse Citizen Denies Senate Candidacy

FL122204 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 12 Jan 88

[Excerpt] In the Grande Anse, citizen Villevalex Laurent, a former candidate to the senate in the 29 November elections, was most surprised to hear over the national television station the day before yesterday that the CNG's [National Government Council] CEP [Provisional Electoral Council] was authorizing him to participate in the 17 January elections, because he never renewed his candidacy. We interviewed him yesterday.

[Begin recording] [Reporter] You are a candidate to senator for what department?

[Laurent] I was a candidate to the senate for the Department of Grande Anse in the 29 November elections. Last night I was astonished. I was chatting with some friends and received a call saying my name had been heard as being a candidate for the senate for the Department of Grande Anse, as a candidate accepted by the current CEP. I find this astonishing because I did not renew my candidacy. Since the annulment of the 29 November elections, I have not considered myself a candidate. I think no one who has any self-respect will involve themselves in anything like this. That is why I backed off.

I sent a news release last Monday to be read over the radio. I don't know what happened. I didn't hear it.

They said to come give (?another one), but I figured that since I had not gone by the offices to renew my candidacy, I was automatically no longer a candidate. And then last night I was named along with other candidates.

I find this strange. They are supposed to respect people's names. They are not supposed to take people's names and use them in things without consent. If you think about it, the members of the (?middle class) in Haiti have only two ways to succeed. Either the person has an extraordinary stroke of luck or else he compromises. I am not in favor of compromising.

The other problem is that I was registered as a member of the PAIN [National Agricultural and Industrial Party], which is Louis Dejoie's party and Dejoie is not participating in the elections, so how could I? I am not the kind of person who allows money and power to go to my head and make me do crazy things. [Reporter] So, you want to inform everyone in the Grande Anse that you are not a candidate to the senate?

[Laurent] Yes, that's right. [passage omitted] [end recording]

Weekend Arrests in Cayes Jacmel, Artibonite

FL122326 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 12 Jan 88

[Text] We have a news release from the population of Cayes Jacmel, which is complaining a lot about the arbitrary acts committed against the civilian population of Cayes Jacmel on Saturday and Sunday, 9 and 10 January.

According to the news release, the military in the area unjustly arrested many citizens, both male and female, on the pretext they are communists. We strongly protest these abuses of authority, and we ask the Haitian Army in Cayes Jacmel to release these people unconditionally, so they can go about their business, says the news release.

Arrests are also being made in the Artibonite area and in the Grande Anse area. First, a news release regarding arrests in the Artibonite area:

A group of macoutes in La Chapelle has gotten together with Justice of the Peace (Lanoux Fortune) and with the military barracks in order to arrest many young people. Last week three people were arrested, (Pepi), (Caneus), and (Jean Portam). Several people are being pressured, too. And that same group of macoutes chose the members of the Communal Electoral Office [BEC] for the area and the candidates for magistrate and deputy. The activities of this macoute group has forced many young people to go into hiding, such as Jean Robert Theophile, (Dezando Mickey), and many more.

Thus many people in La Chapelle and the surrounding area have been forced to go into hiding.

De la Madrid Delivers New Year Message

PA1001313 Mexico City XHTV Television in Spanish 0231 GMT 9 Jan 88

["New Year message" by President Miguel de la Madrid on 9 January in Mexico City—live]

[Text] Good evening, fellow patriots. I am speaking to you directly as I do at the beginning of every year in an informal chat with each of you in your homes; with parents, housewives, workers, professionals, businessmen, peasants, youths, and the children of the country. I want to tell you some of my thoughts regarding the new year. It is essential to speak openly to govern a modern and democratic country.

I am aware of the great struggle Mexicans have waged during these difficult years of economic crisis. We have been successful in what we have been able to do as well as with what we have been able to avoid. This is due to the effort made by all Mexicans.

All of us are worried about the beginning of 1988. Some of us are confused, others irritated. I share my fellow patriots' concerns about the economic situation. I am also hurting, like most Mexicans, as a result of this very difficult and regrettable economic situation which emerged at the end of 1987. I am also very aware of the danger ahead of us: the danger of inflation turning into hyperinflation; in other words, into an uncontrolled inflation which will grow month by month and lead us to a situation which may become chaotic. Before dealing with the prospects for 1988, I would like to give you my version of what happened in the final trimester of 1987 which changed the favorable outlook which existed until September.

You may recall that in my fifth government report I said we could be moderately optimistic because there was some degree of economic recovery. However, I also warned I was still very worried about inflation. By mid-October, the financial markets all over the world suffered serious disorders. The major stock markets—in the United States, Canada, Western Europe, Japan, Asia—all crashed. The U.S. dollar, the foreign currency with which we are most closely associated, suffered serious devaluations. These international economic incidents resulted in very somber predictions for the world economy. There were predictions of recession and higher inflation because in many important countries, including the United States, there were also serious fiscal and commercial deficit problems, and problems with the growth of the foreign debt.

Our incipient stock market, small in comparison to other large stock markets, also suffered a huge decline in its current prices. The Mexican stock market had been experiencing an excessive speculative increase on the free market for many months. Prices increased a great deal. Fortunes were made in a few weeks, in a few months, and there was what a friend of mine has described as collective greed. With the drop of the current prices on the Mexican stock market, the pessimistic forecast we saw hovering over the world economy renewed negative expectations regarding Mexico's economy.

Many people thought: Well, if the U.S., European, and Japanese economies, with which we have most of our commercial and financial relations, fall, this will also affect us. The Mexican economy, the analysts and speculators thought, will also enter a period of recession or higher inflation. Furthermore, shares in businesses that weeks before had good prospects, excessive prospects in my opinion, were worth less. The people would say: I must get rid of those investments. I must protect my savings. I must leave the market, and this caused a heavy decrease in demand, and a drop in share prices. We certainly must not blame these businesses for the entire international financial problem. In Mexico there were also elements who associated pessimistic international economic expectations with negative expectations for the Mexican economy, especially one factor: inflation, undoubtedly the most worrisome factor.

With the drop in stock market prices, people sought ways to channel their savings to protect themselves. As usual during times of speculation, they demanded more dollars during the final weeks of October and the beginning of November. As I have informed the nation, the government, and especially the financial authorities—the Finance Secretariat and the Bank of Mexico—remained alert to this factor without taking hasty measures. However, when they saw there was great pressure on the dollar market and the risk this trend would diminish the country's international reserve, the Bank of Mexico withdrew from the free market to allow the market to adjust, so U.S. currency would cost more and the speculators would have to pay the higher price. This caused a considerable increase in the price of the U.S. dollar. The influence of the exchange rate is so important on our economy for historical reasons and especially for psychological reasons; the devaluation caused heavy speculation of prices and even merchandise and services not directly involved with foreign currency.

Inflation took off. The so-called phenomenon of relabeling took place, as housewives know very well. In view of this situation, and in response to the deterioration in salaries, the Labor Congress demanded a substantial increase in salaries, and announced that if this was not granted there would be a general strike throughout the country. Those times held a threat of a very acute economic crisis. Imagine, a large part of the country paralyzed by strikes with the resulting risk of serious social conflict. Because of the seriousness of the problem, the government called all the productive sectors to a broad, in-depth dialogue which resulted in the Economic Solidarity Pact, which has received widespread coverage but which, I gather, is not always fully understood. Some people are still asking what the Pact means, what it is about, why if efforts are being made to combat

inflation, prices are being increased; why the prices of certain items—even those produced by the public sector—increased more in December than did salaries. All of these are very legitimate questions because the current economy has become too complicated and it is not easy to explain.

What the dialogue among productive sectors did achieve with the Economic Solidarity Pact is the acknowledgment by the leading social groups—I would say by practically all Mexicans—that inflation is the common enemy which must be defeated; that we must wage a national campaign against inflation. Inflation erodes the poorer sectors' incomes, discourages savings, discourages investment and growth, and consequently, employment. It generates greater inequalities in our society because with inflation, unfortunately, those who have more earn more, and those who have less lose more.

To organize, lead, and agree on an in-depth struggle against inflation is the main objective of the Economic Solidarity Pact. To do this we have agreed on a number of drastic, harsh, bitter measures which are the initial cost of this national campaign against inflation.

The Federal Government has adopted measures to reduce its total deficit. In order to do this, it has been forced to increase the prices and rates of goods and services produced by the public enterprises and to reduce its own expenses. Why? What do we seek with this?

A lower public deficit will keep the government from borrowing more and this will gradually reduce the domestic interest rates. This will also help reduce inflation and the fiscal deficit because the government will be paying less interest on its domestic debt.

The government has not worked only to improve our public revenue. Basing its decision on the Economic Solidarity Pact, the Chamber of Deputies has considerably reduced the government's spending request in the budget presented by the Executive Branch on 14 or 15 November. The deputies were in direct contact and held intense negotiations with the Executive Branch and chose to reduce the original budget by more than 7 trillion pesos. The most important social development areas were protected: food, housing, education, health, public safety, and the availability and administration of justice [procuracion y administracion de justicia]. We tried to avoid drastic cuts in our investment plans in strategic areas. Some cuts were made, however, especially in the fields of energy: namely, oil and electricity. We also protected those areas important for our development. We protected agriculture, communications, and transportation.

Likewise, we have repeated, and in some cases strengthened, the necessary austerity measures in the public sector and its enterprises. We will continue to be very strict, especially during the last year of government, in the management of public resources, thus avoiding waste and fighting corruption, should we encounter some. We have suggested that the governments of our states also follow these measures in the management of their public finances. They have already expressed their support for the pact.

The labor movement has agreed to a 15-percent minimum wage increase as of 15 December 1987 and a 20-percent increase as of 1 January 1988. These minimum wage increases will also benefit the contract workers. I wish to add that when we decided to grant these December 1987 and January 1988 wage increases we took into consideration the wage adjustments made throughout the year and those granted following collective bargaining. The December 1987 wage increase was not the only one the workers and contract workers received this year. Throughout the year we tried to maintain the purchasing power of our wages.

The peasants have also contributed their share. They have agreed to maintain the prices of their products at the 1987 levels. They will do this throughout 1988. However, this does not mean—as some have thought—that the price of certain products will not vary this year. This means these prices will only be adjusted as their production costs increase. This can be better explained if we realize that in the past few years the guaranteed prices have surpassed the inflation rate thus helping improve the so-called terms of exchange between the rural and urban areas.

The businessmen have also assumed their responsibilities. They have forced themselves to cut down their use of utilities and hold down, to the lowest degree possible, their price increases. This is an obligation for both businessmen and industrialists. However, we must also clear something up. This does not mean an absolute freeze on prices. This represents a great effort to keep prices from increasing during the months of January and February 1988.

Some people asked themselves why we did not implement a shock plan . In other words, they asked themselves why we did not slap an absolute freeze on the main economic areas: wages, rents, exchange rates, and interest rates, and thus stop inflation once and for all. This option was discarded after all our talks with workers, businessmen, and peasants because we have seen this technique has not worked in other countries. Sometimes inflation was stopped for a few months, but the subsequent increases were even higher than those prior to the freeze. Another inconvenient aspect of the shock plan is that it does not encourage production. If production is not encouraged, then the supply of goods and services drops and we would find ourselves without certain necessary products. If this happens we would import more, increase our bills abroad, and spend our monetary reserves. This is not the solution to the problem.

This is why farmers, workers, businessmen, and the government have committed themselves to this new and imaginative plan. The basic plan calls for more and better work that will promote productivity in all fields of our economic and productive life. We have not tried to present the pact as an instant and miraculous cure for inflation. We have warned that the pact will be implemented in two phases. In the first phase—a very difficult one, similar to the one we felt in December, similar to the one we are presently experiencing, and may still feel in February but with less intensity—we will have very high inflation and interest rates. In the second phase, which will begin in March when the measures we have taken start to take effect, we will notice inflation will diminish.

Beginning in March, we will agree on a monthly inflation rate that is to be our goal. Monthly adjustments in salaries, prices, public sector rates, produce from the basic food basket, and in interest rates can only be made according to this rate. Every month we will set a lower inflation rate than the previous month, because if we only accept the previous month's inflation and project it to the future, inflation will continue at that same level. The goal is to lower the monthly inflation rate in a united and orderly manner until we reach a very reduced monthly inflation rate by the end of this year. The united effort against inflation, public spending restrictions, monetary and credit measures taken, the November devaluation of the free market and the one in December for the controlled market, will cause the continuation of slower economic activity during the 1st semester of 1988. Our economy will recuperate during the second semester of the year when inflation has diminished. The goal is to reach the end this year with a substantially reduced inflation and with modest but firm rates of economic growth. In this way, we will leave good economic bases for the next government.

I would also like to point out that the struggle against inflation will not deter us from continuing the structural modifications proposed and implemented by the present administration. I am convinced that if we do not make large modifications to our economic machinery to increase its efficiency and productivity, the crisis will accompany us for many more years. We must make reforms that will make our economy more productive and efficient. In this manner, not only will we overcome the present crisis, but we will also be taking preventive measures to avoid a repeat situation in the future.

Within the structural modification process we will continue to restructure the public sector. We will liquidate or sell off the firms which are not strategic or in our priorities, and demand that the firms under state control be more efficient each day.

After the December measures, we now have a lower import tax or duties structure. This will foster adequate competition in our domestic market that will benefit the consumers and will give our economy more competitiveness in foreign markets. This type of exchange will tend to stabilize our economy if we are able to reduce our inflation.

This is the essence of the Pact. The Economic Solidarity Pact is the joint response of society and government to the serious economic problems afflicting us. It is not a magic formula or a miraculous cure; it will not work automatically. It requires great effort from all Mexicans, it implies perseverance in this effort, and a strong will to meet commitments. The Pact is not only a government program or a Pact for the government, it is our society's action plan. We can attain a lot if we all comply; we can loose a lot if the Pact is not implemented.

To carry out this struggle we have assets we must not forget. Not everything is black. The main asset is our nationalism. Mexicans are always willing to make any effort to defend and exalt our fatherland, for our and our children's benefit. We have done so in an exemplary manner in the past few years and we have advanced.

Our accounts with foreign countries show a surplus. We export more than we import. Presently oil does not represent our only or a large proportion of our exports. Other products such as agricultural, mineral, and manufacturing ones are increasingly contributing to our exports. This had never been the case in contemporary Mexican history and caused us to accumulate a deficit in our balance of payments which we covered by increasing our foreign debt.

Tourism has also grown substantially. Now, in 1988, we can make an assessment of 1987 and see that foreign tourism totaled 5 million people, establishing a new record. The assembly plants and industrial activities on the borders have also increased. This gives us jobs and foreign exchange.

As a result of the interplay of all of these factors, our international reserves remain high. We continue in the vanguard of foreign debt negotiations. Mexico has been an innovator in foreign debt arrangements during the last few years. You may recall we have had two major renegotiations. The foreign debt expiration dates have been extended and we have been granted grace periods. We have reduced the interest rates to some extent. However, the goal we are setting for ourselves is to reduce the amount of principal owed and, consequently, to save interest in the coming years because we believe the time has come to do so. There is already more understanding from governments and creditor banks. We will take this step forward, the way Mexico has done it, without high-sounding phrases, without dramatic proposals, but with results.

We must not jeopardize this economic progress. On the contrary, we must use it to overcome these new difficulties. I know the initial period of the Pact—which began

in December and will extend through January and February—will be painful. The costs of achieving a fast drop in inflation—which must be our main objective—are substantially the measures we have already adopted.

The government will do its part. I will personally concern myself with supervising government actions day by day. The government will make additional and strong efforts to reduce its overall deficit. It will exert its full authority to moderate prices and profits. It will realistically and responsibly exercise its monetary and exchange [regulation] powers. It will continue to cleanse the public sector. It will vigorously fight corruption and will prevent conflicts among the various social groups.

We must continue to tackle our problems amid social peace. The government assumes responsibility for upholding public order and the Mexican people's freedoms in accordance with the laws and institutions. Inciting the citizens to civil insurrection against or resistance to the laws or the authorities is not a legitimate means of struggle.

The cornerstone of the Pact is the unity of all sectors. It is the unity of all Mexicans. Therefore, let each one of us fulfill his responsibilities with vitality and fortitude. This is not a time for discouragement or pessimism. We will get our country out of its difficulties with an iron will.

As president of the republic, I pledge to continue to devote myself fully to the fulfillment of the responsibilities you entrusted to me. I will work with renewed determination, as if the remaining 11 months of my term were the 1st year of my administration. I will watch over the preservation of public peace and the safeguarding of our liberties with special care. We will especially protect the neediest classes. Of course, we will continue to defend and to enhance our independence and sovereignty.

I will maintain discipline and order in the government. I will promote enthusiasm and work among all Mexicans. As a people, we have the means to achieve our goals. Ours is a dynamic nation, full of life and imagination. We have natural resources, but our principal elements are the fortitude and stamina of the Mexican people.

I will continue to promote dialogue among Mexicans and, of course, also the dialogue between the government and the Mexican people. I think it will be useful for me to maintain direct communication, like this talk, more frequently than before. Obviously, I keep in contact with the various sectors of society daily. However, the contact television affords may be a means for me to be closer to you and to give you my views, through this type of talk, on how the situation is evolving, what we have achieved, what we have not achieved, what measures we are adopting along the way to improve our situation, to defeat inflation, to make sure the pact of solidarity will be complied with and we will overcome our problems through it.

Fellow citizens, this is not a time to give up on our homeland. This is a time to develop a greater awareness of our responsibility, not only for the present but for our national destiny; not only for ourselves but to our children. Our generation cannot lose heart in the great task of building our nation's greatness. I am certain real happiness is based on the fulfillment of our own duties. I ask you, I ask all Mexicans, to fulfill their duties. You know how to do so according to your own station in society. And if all of us fulfill our duties to ourselves, to our families, to the schools, to our work, to the countryside, and to society, I am sure we will feel the great satisfaction of having carried out our duty.

For this reason, I urge all of you to make the new year a good year. Thank you very much for having allowed me to enter your homes on television. Good night.

Costa Rica

Arias Threatens To Expel Contra Leaders

PA130422 San Jose Radio Reloj in Spanish 0100 GMT 13 Jan 88

[Report by William Cespedes from the presidential palace in San Jose—live or recorded]

[Text] Costa Rican President Oscar Arias Sanchez, who said that Costa Rica has been a peaceful country for many generations, warned Nicaraguan Resistance [RN] leaders Alfonso Robelo, Alfredo Cesar, and Pedro Joaquin Chamorro that if they do not take action in favor of peace, they should leave the country.

In a letter delivered to the RN leaders this afternoon, Arias stated: I have told the appropriate officials that they should expel from Costa Rica all foreigners who are involved in political activities that promote war and violence. If you want to continue enjoying Costa Rica's hospitality, you must stop supporting [words indistinct]; otherwise, I will ask you to leave the country as soon as possible.

[Words indistinct]. The president added: I dislike making a decision of this nature, but the interests of Costa Rica—in this case peace—will always come first. I am sorry to have to decide this, because over the years, I have developed a friendship with you.

Finally, President Arias said in his letter that if the RN leaders decide to continue the fight and leave the country, Costa Rica will always be available to allow peace negotiations in which all contra leaders can participate. [words indistinct].

President Oscar Arias delivered this document to journalists while he was meeting with Guillermo Ungo and Ruben Zamora, political leaders of the Salvadoran guerrillas. Arias told the guerrilla leaders about the need to adopt [words indistinct] in the Central American region.

The text of President Arias' letter to Alfonso Robelo, Alfredo Cesar, and Pedro Joaquin Chamorro warns that Costa Rica's tradition of granting political asylum to foreigners who are persecuted because of their beliefs is one of the profound practices of the Costa Rican people. Other traditions deep in the hearts of the Costa Rican people are: love of country and respect for peace, dialogue, and a de jure state. On the other hand, Costa Ricans reject violence and [word indistinct]. Out of respect for its most sacred traditions, Costa Rica cannot participate in the search for solutions that lead to violence and war. Costa Rica also cannot allow foreign citizens to use our territory to promote war. You are very aware of our position stated in the Central American peace plan. You also know I have insisted that my country will never support armed solutions. When some of you expressed your support for the peace plan, I believed you would stop participating in the war that has adversely affected the Nicaraguan people. I am sorry to see through many of your actions and statements that this has not happened.

The letter also adds: Costa Rica's neutrality in favor of peace will not be violated by anyone. To peacefully meet our commitments and to proudly follow the traditions of our people, we will not be discouraged by any obstacle, nor will we allow anything to stand in the way of our nation's most sacred interests. The roads to peace and war are different, and we have chosen the peaceful road for many generations. I am sorry to learn of the increase in contra military actions in Nicaragua. I have also become aware that there are some who intend to promote military actions as if they were compatible with peace.

This is the text of a letter sent by President Arias. It is perhaps the strongest and most decisive [words indistinct] to the leaders of the RN, who have been active in Costa Rican territory. This warning from President Arias seeks to open the road to a negotiated solution at the upcoming summit meeting of Central American presidents. These talks will take place in San Jose on Friday.

Contra Offices Searched

PA121659 San Jose Radio Reloj in Spanish 0100 GMT 12 Jan 88

[Text] Hernan Garron, Costa Rican minister of public security, reported that the contra offices in El Zapote were searched this morning and that six persons were arrested. Minister Garron said six Nicaraguan citizens who were working on placards for the National Unity Party were arrested. He stressed that the Nicaraguan citizens were arrested for not having proper documents, not for working on the placards, which is not a crime. Minister Garron added that the contra offices were searched as a security measure due to the upcoming meeting of the Central American presidents scheduled for 15 January. Garron also commented that his ministry has learned that the group was preparing some type of activity for Daniel Ortega's arrival in Costa Rica on 15 January. The minister concluded by stating that nothing was found during the search. He also reiterated that the six Nicaraguan citizens were arrested because their papers were not in order.

'Clandestine' Stations Hunted

PA122240 San Jose Radio Reloj in Spanish 1200 GMT 12 Jan 88

[Text] The Costa Rican Ministry of Public Security and the Ministry of Government and Police have been working jointly to determine whether several clandestine contra radio stations are operating on Costa Rican territory, Minister of Security Hernan Garron has reported.

Last week, FSLN members reported that the contras are operating three clandestine radio stations from Costa Rica, with one of them located in San Jose. Garron stated that every effort will be made to locate the radio station as soon as its broadcast is heard.

Anti-Sandinists Capture, Hold Nicaraguan 'Spy'

PA122130 Paris AFP in Spanish 2021 GMT 11 Jan 88

[Report by Humberto Arce]

[Text] Ciudad Quesada, Costa Rica, 11 Jan (AFP)—News sources in northern Costa Rica reported today that anti-Sandinist fighters captured a Sandinist spy and have been holding him for the past 3 weeks. The spy, Reynaldo Lopez Espinoza, 21, was trying to gather information about RN activities in northern Costa Rica.

In a recording provided to AFP by radio journalists from Ciudad Quesada who visited an anti-Sandinist camp in the Las Delicias de Pocosol region on the Nicaraguan border last week, Lopez Espinoza confessed that he had been sent to spy by Lieutenant Pablo Betancur, a Nicaraguan state security officer based in the port of Lacuapa, San Carlos.

Having identified himself as an employee of the Domestic Trade Ministry (MICOIN) and a EPS reservist in the same town of San Carlos, Espinoza said that the Nicaraguan espionage organization had offered him "a prefabricated home and 500,000 cordobas ($50)" for his services.

The Sandinist spy reported that, on Betancur's instructions, he clandestinely entered Costa Rica through the Las Tiricias sector. He was accompanied by Rene Acosta Ulloa and Julio Espino Chamorro, who also work for the Sandinist secret services.

Lopez said that in the same period, six other Sandinist spies entered Costa Rica through the Penas Blancas customs post to carry out similar missions in the Guanacaste region.

"They asked us to confirm whether the contras were operating in Costa Rican territory and whether there were foreign troops here," Lopez explained. He added that the Sandinist government planned to use these reports "to demonstrate internationally that the Central American peace plan (Esquipulas II) is not being complied with."

Lopez reported that to carry out his mission, he infiltrated the Santa Rosa de Pocosol refugee camp in early December. He later left the camp and roamed the border area of Los Chiles and San Carlos in search of contra camps.

In mid-December, the Sandinist spy encountered a contra contingent in the Costa Rican region of Las Delicias. Although he tried to pass himself off as an anti-Sandinist, the rebels discovered and detained him, and now plan to turn him over to Costa Rican officials.

"He (Lopez) says that he wants to stay with us, but because we doubt his convictions, we think it would be best to turn him over to local Costa Rican officials," said "Huracan," one of the contra guerrillas interviewed in Las Delicias last week by Costa Rican radio journalists. He also identified himself as an RN member.

In the recording given to AFP, both the Nicaraguan spy and his captors agreed that the EPS has mined extensive sectors of the Costa Rican border "to keep people over there."

The guerrilla "Huracan" also expressed regret that men like Lopez cross the border "for the purpose of passing information to the Sandinists about those of us who are trying to free Nicaragua of communism."

Last week, the anti-Sandinist rebels based in Las Delicias summoned the press to their camp, which is located on the estate of Calazans Parrales. They did this to deny reports that they may have been responsible for several attacks and incidents of cattle rustling, to the detriment of Costa Rican peasants of the region.

"Those dastardly deeds were carried out by men of the communist Eden Pastora, to turn political propaganda against us, said "Managua," one of the contra chiefs camped on Parrales' farm in Las Delicias up until last week.

The Costa Rican Civil Guard mobilized more than 250 men last week to thoroughly comb the Las Delicias region, but they were unable to locate "Managua" and his men. The Guard, however, did admit to having found evidence that "unidentified individuals" may have entered Costa Rican territory sporadically over the past few weeks.

El Salvador

Reconciliation Commission Issues Report

PA112222 San Salvador EL MUNDO in Spanish 8 Jan 88 p 28

[Unattributed article]

[Text] "The government of the Republic has satisfactorily developed most of the matters, activities, and actions aimed at implementing the pledges undertaken by the Central American presidents," says the National Reconciliation Commission in the document it will deliver to the International Verification and Follow-Up Commission [CIVS].

The CIVS will arrive in the country over the weekend to meet with representatives of the government, political sectors, and social sectors to verify the faithful implementation of the Esquipulas II peace plan.

In explaining the analysis, the National Reconciliation Commission says that the amnesty law implemented on 5 November can be termed as "considerably broad and with very few exceptions."

As for the cease-fire, the report says "the results were not satisfactory despite the scope and measure of the government's efforts to attain a negotiated cease-fire." The document also later states that "the November 1987 experience indicates that the cease-fire must be implemented by mutual agreement to attain any definite, positive results, and to have a better chance of being successful."

In referring to democratization, the basic point of which was freedom of the press, the document states that the news media in El Salvador operates freely and without censorship; that political parties have free access to the news media and are free to carry out public demonstrations; and the state of emergency was lifted in January 1987.

"The commission believes that the possibility of holding free, pluralist, and honest elections are encouraging, if positive relations are maintained between the Central Electoral Council, the government, and the opposition parties," the document states. It later warns that the inspection of the electoral registry is a good example of the above.

As for the government's dialogue with the political-military fronts, the National Reconciliation Commission believes that efforts exerted in this sector are probably the only way to achieve a firm and lasting peace.

The report mentions the repatriation and relocation of approximately 4,500 Salvadorans who were formerly in Honduras as one of the most important and significant steps. The commission also believes that the experience and minimum results attained by a broad amnesty law, and the violence that prevailed during the unilateral cease-fire, seem to suggest the need to seek other solutions with more practical and realistic proposals.

In referring to the dialogue, the commission believes that the invariable positions sometimes adopted by the parties should be changed if there is a sincere desire to attain progress in the search for peace.

The commission also states that peace can only be achieved through a process that must necessarily be subject to reviews, counterproposals, and readjustments.

Radio Venceremos Comments

PA121331 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 12 Jan 88

[Station commentary]

[Text] For weeks, the Duarte regime had been getting ready to receive the CIVS. Thick files had been compiled with all types of documents concerning the steps Napoleon Duarte has taken to comply with Esquipulas II. The events of last weekend plainly indicate what a great demagogue Napoleon Duarte is.

Castillo Claramount was present at the meeting, along with Duarte's entire cabinet. It had been previously agreed that each one of those parasites would give a speech to impress the commission. The only one who was able to speak for 9 minutes was Castillo Claramount. As the first minister was getting prepared to speak, the UN secretary general's representative told him that the commission had come to hear the opposition, not the government. As for the voluminous files so painstakingly prepared by the government's henchmen, the high-ranking diplomat said [words indistinct]. Everyone was embarrassed: The foreign minister foamed at the mouth; Castillo Claramount almost burst out into tears; and Rey Prendes, with his customary cynical attitude, just grinned. But his smile was still more like a grimace.

One thing is certain: The most repulsive action found by the CIVS was the sickening masquerade Duarte put up concerning the murder of Herbert Anaya Sanabria. It is evident that Duarte has not complied with Esquipulas II. On the contrary, he has been used by the Reagan administration to boycott the peace process.

The embarrassment the CIVS caused to the government is proof that no one believes the lies of Duarte or his immmoral regime. As the commission members were about to board their aircraft, Acevedo Peralta asked whether the commission condemned the FMLN for its noncompliance with Esquipulas II. The ridiculous little man had forgotten that it was the government that signed the Esquipulas II agreement, not us.

Three Reported Killed in Helicopter 'Accident'

PA122313 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 12 Jan 88

[Coprefa bulletin; date and place of issue not given]

[Excerpt] A helicopter accident killed three and wounded two persons from the Salvadoran Air Force. An artilleryman and two second lieutenant pilots were killed early this morning when their Salvadoran Air Force UH-1H helicopter crashed as they were trying to evacuate an injured soldier from near the Las Bermudas region, near San Jose Guayabal, Cuscatlan Department.

Those killed were: Second Lieutenants Rene Hilario Martinez and Jose Herbert Reyes, and artilleryman Pedro Bernal Urias. Another artilleryman and a corporal orderly were injured in the same accident. Both wounded men were taken to San Salvador's military hospital. [passage omitted]

FMLN Claims Downing

PA130050 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 13 Jan 88

[Text] Your attention, please. The FMLN has downed a helicopter in Guazapa. We report to our people and to all our fighters that at 0100 today, in the framework of the unsuccessful operation known as "Phoenix 14," enemy forces were conducting an air operation in support of infantry troops in Guazapa when a U.S.-made UH-1H helicopter came under Modesto Ramirez Front antiaircraft fire. Our units struck their target and downed the helicopter in the Las Bermudas region, San Jose Guayabal jurisdiction, 24 km from the hideout of the high command. We repeat. [Announcer repeats previous report] The helicopter was completely destroyed, and was shot down with its entire crew inside.

Eugenio Vides Casanova, minister of defense and public security, has himself just admitted that two noncommissioned officer pilots of the Salvadoran Air Force and an artilleryman were killed when their U.S.-made UH-1H helicopter was downed—more gringo junk on the ground turned into a wreckage as a symbol of the victory of the Salvadoran people over technology and repression, over Yankee technology. This is the first helicopter downed by the FMLN in 1988. It will not be the last one either.

Two 'Foreigners' Reported Dead

PA130200 (Clandestine) Radio Venceremos in Spanish to El Salvador 0120 GMT 13 Jan 88

[Text] Your attention, please. We have an important last-minute report: Reports from the Guazapa area, where the Salvadoran Air Force UH-1H helicopter was downed early this morning, state that there were four bodies found at the crash site. In addition to the two pilots found dead, residents report that the bodies of two foreign-looking persons were also found. Two foreign-looking persons are among the four bodies found among the wreckage. We are currently investigating this to provide fuller details on these two foreigners who may be among the four bodies found at the crash site. In upcoming broadcasts, Radio Venceremos will provide further details on the presence of two foreigners in a Salvadoran Air Force helicopter that was shot down by Modesto Ramirez Front units in the Guazapa area.

Guatemala

Verification, Follow-Up Commission Arrives

PA070440 Guatemala City Cadena de Emisoras Unidas in Spanish 0100 GMT 7 Jan 88

[Text] The ad hoc delegates of the International Verification and Follow-Up Commission arrived in Guatemala City from Nicaragua this afternoon, according to an official report. The delegates are currently meeting at the UN Development Program Headquarters, located at the Plaza Maritima Building in Zone 10, with various political leaders who represent several sectors. The delegation's first meeting was held with the controversial priest, Andres Giron de Leon, an agrarian leader on the southern coast. Tomorrow, the delegation will hold meetings with various Guatemalan leaders.

Official Reports 1987 Army, 'Rebel' Casualties

PA130030 Guatemala City EL GRAFICO in Spanish 11 Jan 88 p 5

[All figures as published]

[Text] Guatemala City, 10 Jan—Colonel Roberto Letona Hora, chief of the Army's Information and Press Department, has reported that the size of the guerrilla forces in the country has decreased notably and they now have very few troops. This is partly the result of the various amnesty decrees that have been issued, as well as of desertions from the rebel forces.

The Army spokesman said that in 1981, the various armed rebel groups had some 12,000 men. By 1986, this figure had dropped to 2,500. It has been estimated that in 1987, no more than 1,000 rebels formed part of the various groups operating in the country.

In 1987, 126 persons were killed in armed clashes between the Army and rebel groups. This casualty figure is larger than that for 1986, when a total of 108 people, including soldiers and rebels, were killed.

According to the data provided by Col Letona Hora, in 1987, 35 military men, including officers and enlisted men, and 87 guerrillas were killed.

Letona Hora explained that in the case of the guerrillas, the figures include only body counts. He noted it is probable that the corpses of other dead guerrillas were retrieved and carried away by their comrades. The colonel also stated that the Army is certain this has happened because clandestine cemeteries have been discovered during Army operations.

According to data provided by Col Letona Hora, in 1986, the Army lost 36 military men while the rebel groups lost 73 guerrillas.

URNG on 1987 Army Losses

PA121751 Paris AFP in Spanish 1710 GMT 11 Jan 88

[Text] San Jose, 11 Jan (AFP)—The URNG guerrilla movement has said that it inflicted 1,407 casualties on the Guatemalan Army in 1987, the CERIGUA news agency, which is linked to the rebels, reported here today.

In a brief report, the Guatemalan rebels said that last year there were 324 military clashes and 332 propaganda actions, including the "occupation of stretches of roads, farms, and villages."

The source added that the rebels recovered 49 Israeli-made Galil rifles, 4 grenade launchers, and a 30-caliber machinegun.

The URNG, which groups four guerrilla organizations—one of which was formed in the early 1960's, operates mainly in the mountainous regions of Peten Department on the Mexican border.

Meanwhile, the Mutual Support Group (GAM), which is comprised of relatives of missing people, reported that in the last few months of 1987, 70 persons were kidnapped. Of this total, 12 were found dead with signs of torture on their bodies.

'Drug Traffickers' Kill 9 Police at Poptun

PA112130 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 11 Jan 88

[Text] Presumed drug traffickers murdered nine Treasury policemen during an ambush at Poptun, San Marcos jurisdiction, over the weekend.

The incident occurred while the policemen were searching for poppy and marijuana plantations. The policemen, who came from the capital of the department, were ambushed by snipers. No information is available on whether there are any survivors. National policemen and soldiers are trying to track down the attackers, our correspondent Roberto Espinosa Perez has reported.

Honduras

President Interviewed on CIVS Inspections

PA082210 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 8 Jan 88

[Report on 7 January "exclusive" telephone interview with President Azcona Hoyo by station reporters; place not given]

[Text] As reported by this station's press department in an exclusive report, last night President Jose Azcona Hoyo authorized the members of the International Verification and Follow-Up Commission [CIVS] of the Esquipulas II agreements to visit any part of Honduran territory at any time.

In an exclusive interview with this station, the president said the commission can verify that there are no contra bases in Honduras. However, President Azcona admitted that wounded contras are receiving medical attention at the Aguacate military base—but only for humanitarian reasons. Here are the exclusive statements the president made during the [telephonic] contact we conducted last night, along with our colleague (Edras Amado Lopez):

[Begin recording] [Azcona] We have said that we will comply with the Guatemala agreements, and we will. Hello?

[Reporter] Yes, Mr President. Has this decision been adopted early enough for the CIVS to have time to visit places in the country and to find out what the real situation is?

[Azcona, in progress]... to come here to our country. Palmerola is open, Aguacate is open; wherever they want to go.

[Reporter] Would it not be compromising for your government to make this type of...

[Azcona, interrupting]... Compromising? Why should it be compromising?

[Reporter] Because of what has been said internationally, Mr President.

[Azcona] I believe many civilians have visited Palmerola. There is nothing to hide here,(?or) in Aguacate. I do not see why it should be compromising. We have signed an agreement, and we are prepared to comply with it. I wish everyone was as prepared to comply with it as Honduras is.

[Reporter] Mr President, how about the reports on the existence of contra camps and the burying of helicopters and aircraft?

[Azcona] The burying of helicopters?

[Reporter] Yes, sir.

[Azcona] Where?

[Reporter] At the contras' bases, Mr President.

[Azcona] No, sir. About El Aguacate, what has been said—I said this in November—is that we are not so inhuman as not to grant asylum in Honduras to those who are wounded, maimed, or ill. We are not so inhuman as not to grant them asylum in Honduras. They have always been granted it.

[Reporter] When will you meet with the CIVS, Mr President?

[Azcona] They have not asked me for an appointment. I will be very glad to meet with them or anyone else if they ask for an appointment. Honduras is a completely open country that respects international treaties and human rights.

[Reporter] What do you expect with regard to the report that the CIVS will draw up in this country, Mr President?

[Azcona] I do not know what we can expect, but what I can tell you is that we are complying fully. For instance, the amnesty decree was extraordinarily broad. The only person who remained under arrest was a boy who was apparently affected by a discrepancy. The day before yesterday, I spoke with the president of the Supreme Court, who believed that the amnesty decree applied to him. I think this boy, Rodin, has already been released even though he was in jail for forging public documents; that is, a passport.

However, I do not know what the CIVS could say about the situation in Honduras. Of course, we know it will meet tomorrow with some people who will tell it that there are threats, that some people have received threats. However, the truth is that whoever comes to Honduras realizes that this country is really at peace and that there is full freedom of speech here.

I have said many times that the government does not have freedom of the press, because everybody says what he wishes, and sometimes the government has no way to defend itself.

[Reporter] Because of the existing freeom, Mr President, are you not afraid that what other sectors may discuss with the CIVS may be compromising, keeping in mind that the CIVS will prepare a report?

[Azcona] Well, let them prepare it. Of course, we already know what it will say. I have noticed some people are even saying there is persecution, that... [changes thought] Well, we are granting freedoms in this country and anyone can say what he wishes. However, the truth is that it is difficult to prove these types of abuses exist. We know that anywhere in the world where there are authorities, where there are police, officials sometimes commit excesses. Any armed institution may commit excesses. For example, during a strike in Peru, a policeman fired at the crowd. However, one cannot blame a government or an armed institution for this.

These things happen because wherever there are armed people, problems of this type arise.

[Moderator] Mr President, appealing to that freedom that all Hondurans enjoy, I am introducing Armando Arevalo, news director of Radio America, who wants to ask you a question. Go ahead, Armando.

[Arevalo] You are right when you say that you have respected the freedom of speech. Journalists have not complained one time. Mr President, appealing to your goodwill, I would like to ask the following: The national reconciliation commission, or more specifically, the representative of the executive branch—in other words, the presidential designate—said that the Honduran Government will allow the CIVS to visit the Aguacate base headquarters, if the Honduran Armed Forces agree to it. Why did you wait until now to make such an important decision when...

[Azcona, interrupting] First, I want to tell you that we signed an agreement in Guatemala and that no one has directly asked us to allow an inspection of any military base.

The commission is coming... [Azcona changes thought] It has an agenda and it has not asked to visit any base. However, because some people have said that Honduras refuses to allow in situ inspections, we have come forward to deny that. This is the truth.

No one has yet asked the Honduran Government's permission to conduct an in situ inspection of any of our Army bases. In Honduras, there is only one Armed Forces; that is the Honduran Armed Forces. Therefore, we came forward to face any possible speculation and said that we are willing to allow an in situ inspection, although no request has yet been made.

[Arevalo] Mr President, we believe your government has made a wise decision by doing that. What do you think of the internal Nicaraguan protests, expressed by the opposition, concerning the nonfulfillment of the agreements signed in Guatemala last August?

[Azcona] Right now, I do not want to accuse any government. If there are protests in Nicaragua, that is the problem of the Nicaraguan people. If those protests have some basis—as we believe they do—that is a problem to be resolved by the Nicaraguan opposition and the Nicaraguan Government.

[Arevalo] Appealing to your goodwill, Mr President, our station's editorial this morning stated that despite marked goodwill by the Central American governments for attaining regional peace, peace will not be achieved unless the United States and the Soviet Union keep their hands out of Central America. What do you think about that?

[Azcona] This whole problem is at a very critical point right now, so I would not like to make any other statements in this regard. As I said on 31 December, Honduras abides by its treaties, agreements, and commitments. We will honor our promise.

Nicaragua's Tinoco on Meeting With Azcona

PA101310 Tegucigalpa Voz de Honduras Network in Spanish 1850 GMT 8 Jan 88

[News conference by Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco "following his 2-hour meeting with President Jose Azcona Hoyo" at the Presidential Palace in Tegucigalpa—live or recorded]

[Excerpts] [Passage omitted] [Reporter] How does the Nicaragua Government feel about the announcement by U.S. Secretary of State George Shultz that his government will ask for additional funds for the contras in early February?

[Tinoco] You know that one of the fundamental points of the Esquipulas II agreement is to cease all aid to unconventional forces and to the contra forces. When the U.S. Government asks for additional funds, this means that it is opposed to Esquipulas II and is actually hampering it. Yesterday, Mr Colin Powell [assistant to the President for national security affairs] said that his government supports Esquipulas II. This is impossible, because if the United States continues to ask for more resources for war, it is in fact hindering and ignoring Esquipulas II. The good thing is that regardless of what the United States thinks—although that country is very important—we, Central Americans, are trying to move ahead with this regional peace effort. It is in all our interests.

[Reporter] Salvadoran President Jose Napoleon Duarte recently stated that Daniel Ortega is following the peace plan halfheartedly. How do you feel about this, and do you agree?

[Tinoco] In our opinion, Nicaragua has significantly kept its commitments. We have taken very clear steps, more so than other states. This is not a matter of making comparisons. However, I can cite examples. As for formal democratization, or the form of our democracy, Nicaragua is a democratic country in the deep sense of the word. However, from the viewpoint of civil liberties, LA PRENSA and Radio Catolica were reopened. Although the five countries made a commitment to that effect, Nicaragua is the only country to have established a national dialogue with the opposition parties. No other country has done this. Nicaragua is the only country to have kept its commitment for a cease-fire. As for a dialogue, the other countries have had meetings. El Salvador and Guatemala have had one meeting, while we have had two. We have also submitted written proposals.

In sum, there is clear proof that Nicaragua is taking major steps to try to prevent the Central American conflict from continuing to expand, for this is affecting all of us economically.

[Reporter] How do you feel about President Jose Azcona's proposal that the CIVS can inspect any part of Honduran territory whenever it considers this appropriate? Do you think that it marks the start of Honduras' refusal to allow the contra presence here?

[Tinoco] We view the acceptance of permanent on-site verification in our countries as a positive development. I understand the basis for this is that this verification must be reciprocal and can tell you that as far as Nicaragua is concerned, we are prepared to permit permanent on-site verification. Equipment should be installed to monitor the compliance of the security agreements. Therefore, we view this step as positive.

[Reporter] Cardinal Miguel Obando y Bravo has harshly criticized your government. Why is this? Is the president of the Nicaragua's National Reconciliation Commision biased or not?

[Tinoco] I think that Cardinal Obando y Bravo has been playing a constructive role in the country's effort. While he is the president of the National Reconciliation Commission, he is also mediating the indirect talks with the mercenary forces. Therefore, I would say that he has played a constructive role. He has always been a critic of the revolution. The revolutionary government's selection of him for this post shows that the government is acting responsibly. In sum, we did not choose a regime sympathizer; we chose an honest person who has been critical of the government. This shows that Nicaragua takes its commitments seriously.

[Reporter] Do you feel Honduras has lived up to its commitments?

[Tinoco] I think that in one way or another, all the countries have taken steps, just some more than others. The fundamental problem continues to be that the United States is apparently going to continue the war, which hampers everything. If Honduras wants to follow the agreement but the United States continues to aid the mercenaries, then this will hinder everything. The United States may use Honduran territory against the wishes of the Honduran Government, or perhaps in complicity with lower-level government officials, not top-level ones. As a powerful country, the United States may find thousands of ways to continue hindering this peace effort. This is why we believe all the Central American governments must be united in demanding that the United States allow us to make peace in Central America.

[Reporter] How do view the visit to Central America by top-level Reagan administration officials prior to the summit meeting, considering that they have not visited Nicaragua?

[Timoco] These Reagan administration officials are not going to visit Nicaragua, thus displaying the lack of interest in a political solution. If they have any complaint regarding Nicaragua, it is very easy to visit Nicaragua to discuss the matter. As for us, we are always prepared to hold meetings at any level with the United States. Presidents Reagan and Ortega may meet, the foreign ministers may meet, or delegations may meet to discuss problems and concerns the United States has regarding Nicaragua. [passage omitted]

[Reporter] Do you think that the Soviet Union is uninterested in impeding the Central American peace plan?

[Timoco] I think that if any country wants to offer a proposal or invite the Soviet Union, they can. I don't think this poses any problem. Furthermore, I understand that in Washington, the Soviets proposed a reduction in supplying arms to all Central American states. This may be an idea. Regardless of political and ideological differences, the important thing is to maintain peace. We cannot allow the Central American peoples to continue bleeding to death for 7, 8, 10, or 15 more years. This would be terrible for Central America. We must seek solutions that possess mutual respect.

Nicaragua

Charges Filed Against U.S. Citizen Denby

PA131418 Managua Radio Sandino in Spanish 1200 GMT 13 Jan 88

[Excerpt] Julie Mary, wife of the U.S. mercenary James Jordan Denby, his brother William, and a friend of the family were present yesterday at the TPA, Anti-Sandinist People's Tribunal, in Managua, for the filing of charges against Denby. The latter also turned 58 yesterday.

Denby, who was shot down by Sandinist forces while piloting a Cessna aircraft, has been linked to the bands of Somozist mercenaries. He has also sheltered the mercenaries on his farm on the Nicaraguan-Costa Rican border.

Dr Julio Cabrera, auxiliary criminal prosecutor, and Jose Antonio Ruiz, an official at the Attorney General's Office, presented the charges to the TPA secretary. The latter acknowledged their receipt in writing and will later inform the TPA members of their contents.

In accordance with judicial proceedings, over the next few days the TPA will inform the defendant of the charges. He will respond to these within 2 days. There will then be an 8-day period for the presentation of evidence.

James Jordan Denby violated Nicaraguan airspace by flying over Nicaraguan territory without permission on his way to Costa Rica from Honduras on 6 December. Denby's defense lawyer, Dr Enrique Meneses Pena, has announced that he will ask the TPA for copies of the charges against his client. [passage omitted]

Foreign Cooperation Official on Soviet Aid

PA121417 Managua BARRICADA in Spanish 9 Jan 88 pp 1, 5

[Text] During a news conference yesterday, Jose Angel Buitrago, Nicaraguan deputy minister for foreign cooperation, reported that the third session of the Nicaraguan-Soviet Intergovernmental Joint Commission, which will discuss cooperation programs in various fields, will begin on Monday [11 January]. A top-level Soviet delegation is expected to arrive in Managua at that time.

The session, which will conclude on 18 January, will assess the progress of projects, now under way thanks to Soviet cooperation, in the agricultural, industrial, energy, scientific-technical, commercial, economic, financial, and cultural sectors.

Buitrago underlined the importance of the cooperative relations, which have been in place since the first session in 1985. He said that the meetings are held alternately in the two countries, and that this time it was Nicaragua's turn [to host the meeting].

The deputy minister stated: "This meeting will help assess what has been carried out, the existing problems, and the goals for the next few years." He added that one main objective is to devise ways to expedite the development of relations.

In describing the projects, Buitrago mentioned the training of local specialists in several fields; support for telecommunications and industry, and the latter through the expansion of TEXNICSA [expansion unknown] to manufacture yarn; possible cooperation in the leather and footwear industries; metalworking; cooperation in La India and El Limon mining projects; and fishing.

As for agriculture, Buitrago mentioned agricultural development, the schools for mechanics at Sebaco and Chinandega, and the agricultural machinery repair shops at Managua and Chinandega. He also noted the possibility of a banana production development project in Chinandega.

In discussing energy, the deputy minister reported that the Soviet Union favors a restructuring of the local system and supports a project to develop hydroelectric power. He then noted that the Soviet Union supplies most of Nicaragua's oil. This will also be discussed at the next meeting.

There are additionally plans for INETER [Nicaraguan Institute of Territorial Studies] to prepare orographical, geographical, and geological maps. In the health sector, it has been planned to improve the Soviet hospital in Chinandega and the supply of drinking water in Managua.

Buitrago also said that the Soviet Union sponsors projects financed by CEMA, such as the one that irrigates 36,000 hectares in Masaya, Tipitapa, and Granada; the Muy Muy-Matigas dairy project; and the deep-water project at El Bluff port, among others.

When asked about the overall cost of the Soviet cooperation, the official replied that this assistance has been estimated at $2 billion, including donations, since the triumph of the revolution.

He also stated that efforts are being to use funds from the Soviet Union and other nations more efficiently by concentrating this assistance in specific areas. As an example, he listed Bulgarian cooperation, which is largely directed to projects like IFRUGALASA [expansion unknown] and the Sebaco Valley's agricultural and industrial project; and Swedish assistance, which centers on mining.

Finally, Buitrago mentioned the difficulties that assimilating technology from the socialist nations has entailed for the country. As an example, he mentioned agricultural machinery, and said that Nicaragua will gradually develop this type of equipment with the assistance of the socialist nations.

Soviet Delegation Arrives

PA121554 Managua Radio Sandino in Spanish 1200 GMT 12 Jan 88

[Text] The Soviet delegation that will participate in the third session of the Nicaraguan-Soviet Intergovernmental Joint Commission—which will begin today—arrived yesterday. The delegation, which is comprised of deputy ministers of different Soviet Government agencies, is headed by Aleksandr Kachanov, first deputy chairman of the State Committee for Foreign Economic Relations.

Henry Ruiz, commander of the revolution and minister of foreign cooperation, and officials from the Nicaraguan Foreign Ministry greeted the large Soviet delegation at the Sandino airport terminal.

The Soviet delegation's tasks include drafting a summary of the work carried out since the second session of the joint commission, and discussing the outlook for bilateral cooperation for 1988-90.

The delegation will also visit projects that are supported by Soviet cooperation, including the deep-water port at El Bluff. The visitors will additionally meet with ministers of the various sectors of the revolutionary state.

The third session of the Nicaraguan-Soviet Intergovernmental Joint Commission will begin today, with Kachanov and Ruiz presiding over its inauguration. The two delegations will meet for 5 days, and will discuss the outlook for bilateral cooperation for 1988-90.

The Soviet people follow events in Central America with much attention and express their support for the just cause of the Nicaraguan people, Kachanov stated upon his arrival. After discussing the delegation's schedule, Kachanov noted that the third session is being held at a time of great importance for Nicaragua. He was referring to the summit of Central American presidents that will be held this week in San Jose, Costa Rica.

[Begin Kachanov recording in Russian with simultaneous translation into Spanish] I want to tell you that our delegation has come to this country to participate in the third session of the Soviet-Nicaraguan Intergovernmental Joint Commission for economic, technical, and scientific cooperation. We plan to summarize the work that has been done since the second session of the joint commission. We also hope to discuss the perspectives for our bilateral cooperation in 1988-90.

We additionally plan to visit several projects that are supported by our cooperation, and to meet with leaders of various Nicaraguan ministries and agencies. We understand that our session is being held at a time of great importance for the Nicaraguan people: on the eve of the meeting of the presidents of the five Central American countries, who will discuss progress in implementing the Central American peace agreement. The Soviet people have been following events in this region with much attention, and they express their support for the just cause of the Nicaraguan people.

I would now like to express my confidence that this third session will contribute to the development of the economic and commercial cooperation between our two countries, and that it will strengthen the ties of friendship between our peoples. [end recording]

COSEP Gives Letter to CIVS Delegation

PA101520 Managua LA PRENSA in Spanish 6 Jan 88 p 2

[Letter by the Higher Council of Private Enterprise [COSEP] to members of the International Verification and Follow-Up Commission [CIVS]; date and place not given]

[Text] Gentlemen: On 19 July 1979, the Nicaraguan people triumphed over the Somozist dictatorship in an act of true national unity. However, the Sandinist rifles are now imposing their dictatorial will in a stubborn effort to establish a Marxist-Leninist regime that runs counter to the Nicaraguan nature.

This totalitarian regime met with strong civic opposition from the start, but this opposition was quickly supressed by the Sandinists' military boots and bayonets. Part of this civic opposition is still continuing its struggle within Nicaragua, although fewer in numbers and still repressed. Many other Nicaraguans left the civic struggle and instead chose to wage an armed opposition. (To a great extent, this step represents a continuation of the 1978-79 insurrection, because the same people—Robelo, Cruz, Pastora, Calero, Cesar, and others—are seeking the same freedom.) This armed struggle is now fighting against the Sandinist dictatorship. Dozens of Nicaraguans are dying every day, and the damage to the country's economy and welfare is reaching on an alarming proportion.

For the sake of a peaceful solution, the Central American presidents signed a document in Guatemala on 7 August 1987 pledging to implement "Procedures To Establish a Firm and Lasting Peace in Central America." This document was proposed by Costa Rican President Oscar Arias. As for Nicaragua's specific case, Commander Daniel Ortega signed on behalf of his government, pledging to take the steps listed in the document known as Esquipulas II. We are hereby assessing compliance with and the results of this document.

1) DIALOGUE [subhead]

Our organization was not invited to actively participate. (Our request even included the names of our delegates, but the government did not accept it.) However, it is well known that this dialogue failed due to the FSLN's reluctance to discuss the constitutional amendments needed to eliminate the totalitarian imprint that the FSLN placed on the new Constitution. This document was promulgated in January 1987. The other 14 organizations participating in the dialogue were proposing and demanding these changes. The national reconciliation dialogue therefore produced no practical results leading to national reconciliation.

2) AMNESTY [subhead]

It is also well known that the Nicaraguan Government never decreed an amnesty, as listed as part of Esquipulas II. Nicaraguan citizens yearn for this amnesty. The other Central American countries who have political prisoners, however, did grant this amnesty. Only 984 political prisoners have been pardoned. Although the number of political prisoners is unknown, it is estimated to be between 7,000-9,000. Based on the stance adopted by the Nicaraguan Government, for all practical purposes these prisoners will remain as hostages until the CIVS determines if Honduras has dismantled the camps of the Nicaraguan armed rebels within its borders.

3) FOREIGN INTERVENTION [subhead]

The Sandinist government has not promoted an authentic democratic, pluralistic, and participative process without foreign intervention. The citizens are unaware of the secret treaties tying us to the Soviet bloc. The scope of these ties is seen in the huge arms buildup provided by that bloc.

4) FREEDOM OF THE PRESS, TELEVISION, AND RADIO [subhead]

The Nicaraguan Government has not allowed all ideological groups to open and keep news media in operation. It has only allowed, as a gracious concession, the newspaper LA PRENSA and Radio Catolica to operate with relative freedom. The government has not answered, either affirmatively or negatively, the request by top leaders of the private sector to operate an independent radio newscast. The request to do this was dated 23 November 1987 (here we enclose a copy).

Moreover, on 21 September 1987, COSEP submitted a request to the National Reconciliation Commission to establish and operation a television channel, based on the terms of Esquipulas II. We were told on behalf of Cardinal Miguel Obando y Bravo, president of the National Reconciliation Commission, that the Nicaraguan Government would reply to our request on 15 October 1987. However, a written answer never came. During a radio and television interview in November, Commander Daniel Ortega said that he would not allow another television channel to be established or operate, and that the Sistema Sandinista Television would be the only station to broadcast in Nicaragua.

5. CEASE-FIRE [subhead]

The general public also knows that no progress has been made in establishing a cease-fire, for reasons that the parties directly involved in the issue will explain to you.

6. LACK OF DEMOCRATIC ACKNOWLEDGMENT [subhead]

After the signing of the agreement in Guatemala, Commander Daniel Ortega on 13 December stated that Sandinist power will not be at stake during the next elections, and that if the Sandinists lose these elections, "they would hand over the government, but not power." (BARRICADA, FSLN official organ, 13 December 1987, p 1)

Due to the possibility that the U.S. Congress will approve new funds for the armed Nicaraguan Resistance, Commander Humberto Ortega S. threatens the "right" wing and says: "Let the right wing tremble before our people's justice....." (BARRICADA, FSLN official organ, 13 December 1987, p 2)

7. SUSPENSION OF THE STATE OF EMERGENCY [subhead]

The state of emergency has not been lifted in any sector of the country, nor has an attempt been made to rescind it in the Nicaraguan Pacific coast region, where there is not yet armed rebel movements or activity. The special tribunals (Anti-Somozist People's Tribunals) continue to hold parodies of trials, and Nicaraguans do not enjoy any type of rights or guarantees. The situation is just as it was described by the Inter-American Human Rights Commission in its 22 September 1987 report to the OAS: "...the commission must reiterate the serious criticism made to those special tribunals, because they do not grant citizens' guarantees and their rights to justice and to the normal procedures that the tribunals' structure and functions represent."

The government ministers and the executive branch ignore the decisions the Supreme Court of Justice makes. This attitude forced three of the seven magistrates of that court to resign, while Ortega's government is trying to show the world that the Nicaraguan Government wants to fulfill Esquipulas II.

To summarize, COSEP is absolutely convinced that the Sandinist Front only wishes to take advantage of the situation and opportunity that Esquipulas II presents, to eliminate the armed insurgency and then quickly continue implementing its Marxist-Leninist, totalitarian project in Nicaragua and its subsequent projection in the rest of Central America.

Sincerely yours,

Higher Council of Private Enterprise

Enrique Bolanos

President

Contra Sabotage Forces Electricity Rationing

PA101244 Managua BARRICADA in Spanish 6 Jan 88 p 12

[Unattributed article]

[Text] Yesterday, the system of electricity interconnection with Honduras was affected by contra sabotage. This situation, when added to certain problems at the Nicaraguan energy plant, caused several power outages in Managua.

In statements to the local media, Eng Francisco Mojica, INE [Nicaraguan Energy Institute] director of operations, reported that at 0530 yesterday, the interconnection system was cut off from unit No 1 of the Nicaragua energy plant. He also noted that at 0848 yesterday, sabotage in the area between Leon and Honduras worsened the situation.

Mojica stated that INE teams have been taken to those areas to estimate the damage, and that workmen were already repairing the Nicaragua energy plant. Mojica cautioned, however, that there are additional problems since other energy plants such as Managua's are currently receiving scheduled repair work.

Last night's power outage affected several Managua sectors, and nearly the entire northern highway was in the dark. In addition, voltage variations were reported.

Due to the damage, electricity was rationed yesterday and will continue to be rationed today between 1100-1200, 1400-1500, and 1800-2000.

The duration of electricity rationing is unknown. It will depend on the degree of damage caused to the interconnection system with Honduras.

Currently, energy furnished to Nicaragua comes from the Central American hydroelectric plants, three other plants, the Chinandega gas turbine plant, and the Managua plant, which works with Siemens unit No 2.

Yesterday's outage also affected the telephone system. Another plant and residents of the areas near the northern highway and Bello Horizonte, Costa Rica, and El Eden neighborhoods were left without telephone service for over 2 hours.

Panama

Noriega Says No 'Pressure' in Armitage Talks

PA121812 Panama City Circuito RPC Television in Spanish 1730 GMT 12 Jan 88

[Text] General Manuel Antonio Noriega has stated, in an interview with a radio station, that his meeting in late December with Richard Armitage, a U.S. official from the Pentagon, did not involve any pressure; it was a scientific and strategic conversation that is typical of military men or adults.

Noriega said the U.S. Government has gone back on its word, since it had promised to keep its hands off the Panamanian problem but has failed to do so.

Noriega made these statements in response to a comment made yesterday by U.S. Secretary of State George Shultz, who said that Armitage had delivered a message to Noriega on 30 December suggesting that he relinquish power to a civilian government.

Blandon Said 'Selling' 'Information' to U.S.

PA101656 Paris AFP in Spanish 2342 GMT 7 Jan 88

[Text] Panama City, 7 Jan (AFP)—An important sector of the government's Democratic Revolutionary Party (PRD) has accused Jose Blandon, Panama's consul general in New York, of "selling official information to the U.S. State Department and to groups that oppose the current Panamanian regime."

Ramiro Vasquez, PRD assistant deputy general secretary, last night emphasized that over the past few weeks, Blandon has held secret meetings with top U.S. officials to leak classified Panamanian Government information to them.

Blandon—who up to this point was the PRD's ideologist and a negotiator in economic and political aspects of Panaman's foreign debt—had to urgently return to Panama to face this accusation against him concerning the sale of classified information.

Vasquez said that the information concerned was given to Blandon in the United States to help defend Panama "in the face of antinationalist attacks" during the political crisis that Panama experienced between June and November.

Meanwhile, government legislator Luis Gomez today stated that this matter will be thoroughly discussed by the PRD so that a decision can be made. He mentioned the possibility that Blandon could be expelled from that political organization.

PRD To Investigate Charges

PA101700 Panama City LA REPUBLICA DOMINICAL in Spanish 10 Jan 88 p 2a

[Text of communique issued by the PRD on 8 January 1988]

[Text] On 7 January, the PRD National Executive Committee received documents and statements reporting on political activities of party member Jose I. Blandon in the United States. The party directorate and Panamanian officials were not aware of these activities, and had no knowledge of what was discussed at these meetings.

These documents and statements mention delicate matters, such as possible changes at the level of the government and the Defense Forces.

The National Executive Committee hereby states that no party member has been authorized to offer to U.S. State Department officials, U.S. Government officials, or Panamanians living abroad any measures or actions aimed at destabilizing the current government or the Defense Forces, endangering our institutions, or undermining the honor and dignity of high-ranking Panamanian officials.

The National Executive Committee feels that it is necessary to carry out an in-depth investigation into this matter to determine the truth of the information received. The results of the investigation will then be presented to the Honor and Discipline Tribunal.

Following consultions with Marcelino Jaen, acting president of the Honor and Discipline Tribunal, it was decided that a committee should be appointed to investigate this matter. The committee will be comprised of:

Alma M. de Fletcher, who will head the committee.

Rolando Campos

Professor Aminta Martinez

This committee will begin work immediately, while 13 January has been set as the deadline for the committee to present its report. Should it be considered necessary, the Honor and Discipline Tribunal will be convoked.

Issued in Panama City on 8 January 1988

PRD President Romulo Escobar Bethancourt

Secretary General Carlos Ozores

Consul's Son Requests Asylum

PA130151 Hamburg DPA in Spanish 0047 GMT 13 Jan 88

[Text] Panama City, 12 Jan (DPA)—Jose Blandon Jr, son of Panama's consul general in New York of the same name, last night sought asylum in the Costa Rican Embassy in Panama, alleging "political persecution."

Blandon, Sr, was the person who drafted a plan in New York known as the "Blandon Plan" which suggested a series of changes in the Panamanian Government over the next few days.

The Panamanian Government declared Blandon, Sr, a "traitor to the homeland" for drafting the plan and making it public.

His son, a 24-year-old law student, sought asylum due to the danger of "vengeance by Panamanian officials."

Miguel Yamuni, Costa Rican ambassador to Panama, stated "The younger Blandon is in the embassy, and I believe it will be no problem for him to leave the country under the protection of the Costa Rican flag in the next few days."

The younger Blandon declined to make a statement to DPA, but Ambassador Yamuni noted: "We are coordinating the student's departure from the embassy to another country."

PRD President Comments on Delvalle Remarks

PA080337 Panama City Telemetro Television in Spanish 2300 GMT 7 Jan 88

[Passages within quotation marks recorded]

[Text] PRD President Romulo Escobar Bethancourt referred today to President Eric Arturo Delvalle's statements to THE WASHINGTON TIMES [words indistinct] the political organization to seek a solution to Panama's internal problems.

[Escobar] "He is mistaken if he has issued those statements, because far from being an obstacle, we have helped the government. The PRD has helped maintain the stability of President Delvalle's Government."

Asked about the PRD'S participation in secret meetings to seek a solution to Panama's political situation, Dr Escobar Bethancourt emphasized:

[Escobar] "The PRD has not sent out emissaries, either here or abroad. The PRD has adopted a position that has been publicly [words indistinct] through negotiations or meetings by our political commission. The PRD has never appointed Engineer Blandon, or anyone else abroad, to represent the party and seek a political solution. We basically believe the political solution should be found in Panama—on an internal basis.

[Reporter] "Why do certain PRD members say that Engineer Blandon is a traitor?

[Escobar] "We have informally received some documents on the meeting Blandon reportedly held abroad with some [words indistinct] or Panamanian or U.S. citizens who oppose the positions we defend in our country. Nevertheless, I want to make it quite clear I am stating this on a personal basis. As soon as we have the proper documents [words indistinct] information to our party and the people."

Escobar Bethancourt also said the PRD rules out General Noriega's departure and reasserts its support for him.

[Escobar] "The Defense Forces' integrity, structure, and organization, and the post of Defense Forces commander is not negotiable because we believe an honorable solution for our country's political situation does not rule out the Defense Forces' participation in our national activities.

[Reporter] "Do you agree with the president's statement that a defense ministry, or the creation of a defense ministry, is an alternative outline of the Defense Forces' role?

[Escobar] "I want to state clearly that the president has never discussed the creation of a defense ministry, at least since we have participated in the search for political solutions. This is the first time I have read he has discussed the creation of a defense ministry.

[Reporter] "Do you think the creation of a defense ministry might provide an acceptable solution to the crisis?

[Escobar] "I would first have to discuss the issue with my party. We would have to see what a defense ministry's creation entails, what kind of authority it would have, what its purpose would be, and how it would affect the Defense Forces. We would have to see if it safeguards the Defense Forces' professionalism and its goals in the military sector. This topic has never been discussed within the party, so I cannot refer to it as a possible solution."

Delvalle Talks With U.S. Official Reported

PA122012 Panama City Circuito RPC Television in Spanish 1730 GMT 12 Jan 88

[Text] Panamanian President Eric Arturo Delvalle met in private today at 1500 with William Walker, deputy assistant secretary of state for Central America, who visited Delvalle at the New York hotel where he is staying.

Juan B. Sosa, Panamanian ambassador to the United States, confirmed this to EFE. Sosa said various issues had been discussed during the meeting, but he did not give any further details. Sosa said newspapers are not the place to discuss relations between Panama and the United States.

As for the meddling of Jose I. Blandon, Panamanian consul to New York, who reportedly presented a plan to overcome the crisis in Panama, Sosa said Blandon has been talking with various sectors on his own initiative. However, Blandon has not spoken on behalf of President Delvalle or any other government official, nor has he received authorization to do so, Sosa added.

23 'Political Prisoners' Released; 2 Held

PA120255 Panama City Cadena Exitosa in Spanish 1711 GMT 11 Jan 88

[Interview with lawyer Alvin Weeden, secretary of the Popular Action Party, by Eduardo Diaz; date and place not given]

[Text] [Diaz] Hello, listeners of Cadena Exitosa news station. We are in contact with lawyer Alvin Weeden, who has information on the release of a number of political prisoners. Mr Weeden, could you give us the details of this information?

[Weeden] Certainly. Of the 25 prisoners who were arrested on 9 January, 23 were released this morning. As you know, on that date, in different parts of the country-,the Panamanian people were celebrating after learning from foreign sources of reports that General Noriega had left the country, leaving behind the political system that he had governed the country with. I understand that this morning, Gen Noriega said that all those who had been arrested on 9 January would be released. However, Astrid de Vasquez remains under arrest. She was a member of the group that was sentenced to 365 days in prison. In addition, fines paid for her release are not being accepted. Tomas Arias de Para is the other person who remains under arrest. They are the only two persons still being held prisoner.

It must be noted that these two people were illegally and arbitrarily arrested. The fact that this woman and Mr Arias de Para remain prisoners is even more illegal and arbitrary. This is the situation at present. We lawyers have gone to criminal courts to file a petition of habeas corpus in their favor.

[Diaz] Mr Weeden, under what charges have these persons been held prisoner?

[Weeden] Mrs Astrid de Vasquez was not even in Panama City; she was coming from the town of El Valle. While on her way to Niko's Restaurant with her husband and son, she was stopped by units of the Panama Defense Force who searched her and found photocopies of articles from foreign newspapers. She was arrested for that simple reason.

On the other hand, Tomas Arias de Para was arrested on 50th Street or on Liberty Avenue.

[Diaz] We thank Mr Alvin Weeden for his statement to Cadena Exitosa's news station.

Official on Flagged Vessels in Persian Gulf

PA071740 Panama City Telemetro Television in Spanish 2300 GMT 5 Jan 88

[Text] Hugo Torrijos Richa, head of the General Consular and Ships Directorate, has stated that the intensification of crisis in the Persian gulf is creating a delicate situation for Panama. In the midst of this conflict, shipowners have suggested that Panama seek U.S. military protection so Panamanian-flagged ships do not continue to be sunk.

[Begin Torrijos Richa recording] Certain countries have apparently proposed the possibility of requesting military protection for their vessels from countries that presently have fleets in the Persian gulf. We recall, for example, that during a recent incident involving a Panamanian ship, a U.S. frigate was very close but did not interfere.

Some owners of Panamanian-registered ships have also suggested that perhaps our country could request military aid from the United States; for example, that we could ask that country to protect our ships. This is a very delicate subject and one that should be seen from the perspective of Panama as a nonaligned country. This means that Panama is not militarily bound to any world power. The subject definitely merits an in-depth debate. I do not believe that presently—and this is my personal opinion—steps should be taken in this direction as in the future such a policy could tarnish the neutrality Panama has always been proud to uphold internationally.

We must study this matter from the economic point of view, too. To register a ship in a country like the United States, Great Britain, or Italy is excessively expensive. Thus, the shipowner would receive military protection from them but it would be very expensive. For this reason, the possibility of an exodus from the Panamanian registry is very slim. Certain ships, certain shipowners might decide not to register their ships in our country and continue under flags that can offer military protection, but chances for an exodus are nil. [end recording]

Argentina

Economy Minister Leads Mission to U.S.

PY121614 Buenos Aires DYN in Spanish 1252 GMT 12 Jan 88

[Excerpts] Buenos Aires, 12 Jan (DYN)—Economy Minister Juan Sourrouille has traveled to the United States leading a mission that will try to obtain more loans from international organizations to pay overdue interest on the growing Argentine foreign debt.

The mission, made up of Finance Secretary Mario Brodersohn, Central Bank President Jose Luis Machinea, and Central Bank official Daniel Marx, departed at 1840 yesterday on a Pan American flight. They boarded the plane directly from a car, avoiding the journalists at Ezeiza airport. [passage omitted]

According to Brodersohn, the Argentine officials will meet with Secretary of the Treasury James Baker, Federal Reserve Chairman Allan Greenspan, IMF Managing Director Michel Camdessus, and World Bank President Barber Conable. [passage omitted]

The Argentine officials will try to obtain a $500-million bridge loan similar to the one obtained last year to restore the level of reserves and pay some debts that fell overdue in the past few weeks.

Argentina will take the position that the creditor banks and the IMF have not completed their disbursements scheduled for 1987. The creditor banks failed to disburse $550 million and the IMF $225 million last year. [passage omitted]

The Argentine officials will insist on the need to seek a political solution to the foreign debt problem, especially considering the failure of the orthodox policy imposed by the IMF in the past few years, which only served to intensify the existing problems.

Argentina will once again insist on the proposal made by Alfonsin in the recent presidential summit in Mexico. There he proposed setting the historical interest rate on the debt contracted in the past few years. Such an interest rate would allow an economic upsurge in the debter countries.

Basically, the Argentine officials will seek the support of the U.S. Government to induce the IMF and creditor banks to adopt a more flexible position regarding the foreign debt and to facilitate an outflow of new funds to the developing countries. [passage omitted]

Communist Leader Fava Seeks New Leftist Front

PY091823 Buenos Aires DYN in Spanish 0118 GMT 9 Jan 88

[Text] Buenos Aires, 8 Jan (DYN)—PCA Secretary General Athos Fava called on the party today "to recover the revolutionary movement, to put an end to the divisions within the left, and to seek a common strategy to establish a new historic front."

Fava read a long speech during a meeting held in commemoration of the 70th anniversary of the Communist Party at the "Hector Agosti" political center in Villa Devoto. Diplomats from the Cuban, PRC, and Soviet Embassies attended the meeting.

Speaking before approximately 1,000 national communist leaders, Fava said that the PCA "is encountering again the best parts of its history: its origins in the struggle for socialism and the cause of the workers; the heroism of the rebellious Patagonia and the Cordobazo [rebellion in Cordoba Province]; its heroes and martyrs; and its anti-imperialist and revolutionary ideology."

Alluding to other leftist forces, Fava said that the PCA establishes these objectives "in brotherhood with all our comrades in the struggle for liberation, in answer to the challenge of an overall program placed above all, and with the commitment toward a new alternative in this Argentina of misery."

"We celebrate the 70th anniversary of the Communist Party by learning from our valuable experience," he said. He added: "The transformation of the PCA today is at the service of the revolutionary movement's recovery in our fatherland, to end the division of the left by seeking a common strategy to make possible the creation of a new historical bloc to struggle for liberation and to attain socialism as the most human and greatest achievement of the Argentine people."

Fava also stressed the need "to give up arrogance, sectarian dogmatism, and reformist illusions, to meet the challenge of giving life to the utopia dreamed of by all the revolutionaries and countrymen who want to have a different fatherland."

After noting that "the people are tired of the minister of luxury who sings the IMF tune," thus alluding to Finance Minister Juan Sourrouille, and after criticizing the "impunity for the painted face and blond sailors," thus alluding to Navy Captain Alfredo Astiz, Fava ended up by calling for "an ever stronger democracy without concessions to those who long for dictatorships, and a democracy with social justice."

"The people want independence, not submission," concluded the communist leader.

Earlier, the PCA members paid homage to "the PCA heroes and martyrs; to those who in 70 years of struggle were detained in military prisons; to those who were murdered, tortured, or have disappeared; and to the hardships of a membership who suffered from harassment, dismissals, and exile under different political situations."

Brazil

$120 Million for Interest Payment Disbursed

PY130223 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 12 Jan 88

[Excerpt] Brazil and the creditor banks have fulfilled their obligation as stipulated in the provisional agreement. Brazil has disbursed $120 million and the creditor banks provided $240 million to pay the interest that fell due in October and December 1987. The negotiations to reach a definitive agreement began today in New York. [passage omitted]

Industrialists Support Return to IMF

PY121317 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 12 Jan 88

[Text] Brazilian industrialists support Brazil's return to the IMF, provided the government rejects any recessive policy. This support was announced by Carlos Eduardo Moreira Ferreira, acting president of the Sao Paulo State Federation of Industries [FIESP]. He said resumption of negotiations with the IMF will be the subject of talks with Finance Minister Mailson da Nobrega in Sao Paulo on 13 January.

Moreira Ferreira added that the FIESP will also question the country's public deficit. He said that for an effective struggle against inflation the government must curb its expenditures.

Development of Air-to-Air Missile Reported

PY081244 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Jan 88 p 2

[Text] Brasilia—Within 30 days the Aeronautics Ministry will sign a contract for the purchase of MOL-1 air-to-air missiles manufactured by the Sao Paulo enterprise Orbita. These missiles will equip the Mirage III and the F-5e fighter-bombers, in addition to the future AM-X. Embraer [Brazilian Aeronautics Company] will begin delivering the AM-X planes to the FAB [Brazilian Air Force] beginning this year. The purchase of Brazilian-made missiles is part of the nationalization and self-sufficiency program the Air Force has carried out over the past 10 years.

The Brazilian air-to-air missile is equipped with an infrared sensor to track an enemy plane's jet engine and destroy the plane by activating a computerized homing device. It is part of a family of missiles that began with the U.S. Sidewinder and was modernized by other countries of the world such as Great Britain, Italy, the Soviet Union, and the PRC.

The Brazilian missile was developed by the Aerospace Technolgy Center (CTA) in Sao Jose dos Campos (Sao Paulo) and later passed over to the D.F. Vasconcellos Company of Sao Paulo, which was charged with finishing the missile and manufacturing it commercially. This company, however, encountered serious economic problems, and the missile was again given to Orbita, a company created with capital from Angesa (manufacturer of heavy tanks such as the Cascavel and the Osorio) and Embraer (manufacturer of the Brasilia, Tucano, and AM-X planes), in addition to a small percentage of private capital.

According to unofficial reports from the Aeronautics Ministry, the initial contract is for $40 million. The first lot of missiles will be used to equip the F-5e fleet, comprised of 26 aircraft; the Mirage III fleet, comprised of 15 warplanes; and 79 AM-X's. The initial purchase of these missiles will possibly number 250 to 300 units.

The Brazilian policy of never restricting the sale of a product to the internal market will also allow its marketing in the international arena. Only the Soviet Union, the PRC, the United States, and the EEC countries have sold this type of missile so far. The missiles have been used to equip warplanes, helicopters, and antiaircraft batteries.

Chile

OAS Assistant Secretary Meets With Garcia

PY080111 Santiago Radio Chilena Network in Spanish 2200 GMT 7 Jan 88

[Text] OAS Assistant Secretary General Val McComie has stated that the OAS and the countries that comprise this organization are very much interested in the current Chilean institutional process. He added that although the OAS is closely following everything that is happening in Chile, this does not constitute meddling in Chilean domestic affairs because such affairs are of the exclusive concern of Chileans.

McComie met today with Foreign Minister Ricardo Garcia at the ministry's Red Hall. At the end of the meeting, McComie said that Chile fully meets its financial commitments with the OAS. Likewise, Chile honors other treaties signed by the country within the organization, including the agreement against torture, signed a few months ago by Minister Garcia.

During the meeting, Garcia and McComie also discussed matters related to the political and economic situation on the continent, and the situation in Central America and the Caribbean, especially Haiti, where presidential elections are scheduled to be held on 17 January 1988.

National Renewal Party Leader on Plebiscite

PY082046 Santiago Radio Chilena Network in Spanish 1600 GMT 8 Jan 88

[Excerpts] The National Renewal Party has not and will not give its unconditional support to any presidential candidate regardless of his integrity, prestige, or seriousness. This was stated during a news conference by National Renewal Party Vice President Andres Allamand. He also referred to the PADENA's [National Democratic Party] support for the proposal by the Armed Forces commanders and the Carabineros director general.

Allamand said that if General Pinochet is nominated for president by the military commanders, the plebiscite will represent a confrontation rather than a conciliation.

[Begin Allamand recording] [Passage omitted] I believe the plebiscite could become a political confrontation depending on who is nominated. If President Pinochet is nominated, the plebiscite will be a confrontation. [end recording] [passage omitted]

Navy Promotions, Assignments Reported

PY051407 Santiago EL MERCURIO in Spanish 30 Dec 87 p C-4

[Text] Admiral Jose Toribio Merino, commander in chief of the Chilean Navy and member of the Government Junta, at 1100 yesterday presided over a ceremony during which two rear admirals were promoted to vice admiral and nine captains to rear admiral.

The following are the new vice admirals: Fernando Navajas Irigoyen, who is now chief of the Navy mission in the United States and has been appointed chief of the 1st naval zone in Valparaiso, and Gustavo Pfeifer Niedbalski, current director general of the Chilean maritime territory and the merchant marine.

The following are the nine recently promoted rear admirals and their new assignments for 1988: Pedro Anguita Izquierdo, Navy secretary general and commander of the Santiago naval garrison; Juan Mackay Barriga, deputy chief of staff of the Navy; Douglas Ashcroft Sotomayor, director of the Navy engineering unit; Enrique Vera Jofre, director of the Navy arsenal; Mario Sepulveda Mattus, director of the Navy training department; Juan Toledo de la Maza, chief of the Navy cabinet at the Government Junta; Rafael Gonzalez Rees, head of the Navy mission in London; Carlos Blanlot Kerbenhard, general commander of the Navy infantry corps; and Jose del Barrio Valenzuela, director of the Navy supply and accounting department.

The Navy high command for 1988 consists of 29 officers: 1 admiral, 4 vice admirals, and 24 rear admirals.

After the ceremony, another ceremony was held at 1200 to bid farewell to 20 retiring Navy captains.

Briefs

Trade Balance Surplus Reported

Yesterday the Central Bank released November's foreign trade figures. The total balance of trade for the first 11 months of 1987 show a surplus of $917.4 million. During this period, total exports reached $4.583 billion and total imports $3,666,400,000. [Summary] *[Santiago EL MERCURIO in Spanish 31 Dec 87 p B1 PY]*

Peru

President Garcia on Reserves, Devaluation

PA112101 Lima Television Peruana in Spanish 1200 GMT 11 Jan 88

[Text] President Alan Garcia Perez has said that the country's current total liquid reserves total $1.429 billion, and the available international liquid reserves total $1.197 billion. He added that out of that total, $800 million is available in gold and silver.

Regarding the devaluation, he said some politicians regard it as a phantom, but he sees it merely as an economic instrument that can produce positive results when used properly. He added that when used properly, devaluation can prevent a hike in the price of strategic products such as wheat, machinery, and intermediate products.

Intensified Actions by Shining Path Feared

Ayacucho Killings Reported

PA121343 Paris AFP in Spanish 2238 GMT 12 Jan 88

[Text] Lima, 11 Jan (AFP)—Twenty peasants were killed yesterday by Shining Path rebels in a remote region of the Andean department of Ayacucho, the Peruvian police reported today.

A military vehicle was also attacked at noon today in downtown Ayacucho by a subversive commando using explosives, injuring two soldiers and three pedestrians, including two minors, authorities reported.

The mass killing, the second in less than 1 week, occurred in La Mar Province, 650 km southeast of Lima, authorities reported.

Some heavily-armed terrorists wearing military uniforms intercepted the farmers in the Andean region of Janchijasa, and after a speedy people's trial they killed them, according to police reports.

Six peasants were shot and are being treated at Ayacucho Hospital where [words indistinct] received attention, it was reported.

The victims were residents of Rumichaca, Andi, Chungui, and other communities in La Mar Province, which is an area that is often attacked by Shining Path rebels.

Last Friday 30 peasants were knifed to death and beheaded, apparently in a bloody campaign unleashed by the Shining Path to exterminate those [words indistinct] the police and the Army, the authorities assume.

Congress Reportedly Held

PA122300 Paris AFP in Spanish 1839 GMT 12 Jan 88

[Text] Lima, 12 Jan (AFP -The Shining Path recently slaughtered 21 [number as received] peasants in Ayacucho, bringing to 66 the number of persons killed by the violent terrorists so far this month in Peru, the Civil Guard reported today.

The Maoist guerrillas—who are already responsible for more than 10,000 deaths in Peru—apparently have decided to intensify their subversive war following a clandestine congress held to discuss their strategy during their 8th year of activities, official sources said.

Intelligence reports pointed out that this congress was probably held somewhere in Ayacucho, a department in the Andean mountains, and was presided over by Abimael Guzman, or "Comrade Gonzalo."

This would then indicate that the elusive guerrilla leader is still alive and not dead as some authorities thought, an officer of the Peruvian terrorist brigade said.

The recent killings—31 of them carried out on New Year's Day—had the same merciless seal of the Maoist guerrillas: They slit the throats of their victims or machinegunned them, charging them with forming part of the peasants' self-defense groups and of collaborating with the authorities.

In this manner, last weekend they brought before a "people's trial" and then executed 16 peasants in the town of Canchiccasa, 4 in Pacomarca, and Antonio Valer. Valer was the leader of the Casamarca peasants' self-defense group. All of these killings reportedly took place in Ayacucho Department, about 450 km southeast of Lima.

Of the 66 "executions"—as Shining Path calls these killings—that took place this month, four were civilian authorities, one was an army sergeant, and another one was a detective of the terrorist brigade.

The remainder of the victims were farmers who form part of the peasant self-defense groups that the political-military command has established in these "red areas" to encourage the Indians to reject subversion.

Various authorities have said they are concerned about the Shining Path guerrillas intensifying their attacks and exterminating the population of the Andes, as thousands of peasants are leaving their land and cattle and heading to the big cities to seek safety and better opportunities.

Raul Gonzalez, one of the best local experts on the Shining Path's activities, has observed that since last year the violence is leading to suicide among the peasants who feel trapped under the crossfire of terrorism.

The peasants can tolerate poverty and bad weather, but if they are torn from their traditions—such as taking care of their cattle and land—they can reach extremes never seen before among them, the expert explained.

Suriname

Assembly Elects President, Vice President

FL121750 Paramaribo International Service in English 1730 GMT 12 Jan 88

[Text] This afternoon, the National Assembly elected the president and vice president of the republic. Agricultural Engineer Ramsewak Shankar is Suriname's first executive president. He was the only candidate for the post. NPS [National Party of Suriname] Chairman Henck Arron, who was elected vice president, was also the only nominee for the post. The president and vice president will be in office for 5 years. According to the Constitution, the president has 30 days to form the new government.

Leaders React to State Department Declaration

FL121840 Paramaribo International Service in English 1730 GMT 12 Jan 88

[Text] The foreign policy of Suriname will be made by the Surinamese Government itself and Suriname will follow its own path, said NPS [National Party of Suriname] Chairman Mr Henck Arron this morning to our newsroom. He was reacting to a declaration published by the American State Department. In the declaration the State Department says it hopes that Suriname will better the relations with democratic administrations in the region. The State Department spokesman also said that the North American administration is prepared to support Suriname. Henck Arron said this is stimulating while Assembly Chairman Mr Jaggernath Lachmon took on the matter on more or less the same words. He declared that the gesture of the American administration is praiseworthy. Lachmon said that the attitude of the American administration is the recognition of the return of democracy to Suriname.